

MONGOLIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (MEITI)

Mongolia Third EITI Reconciliation Report 2008



Ulaanbaatar city

June 2010

**The Report and all appendices relating to the report are intended
for the use of the Multi-Stakeholder Working Group and National
Council of the MEITI for the purpose of that initiative and are not to
be relied upon by other parties**

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Abbreviations and Definitions

BGD	Bayangol district
Business economic entity	Legal business entity, such as company, corporation and others
Business Economic entity income tax /CIT/	Business Economic Entity Income tax per Mongolian law term, or Corporate Income tax
BZD	Bayanzurkh district
CHD	Chingeltei district
ED	Environment Department
EITI	Extractive Industries Transparency Initiative
ERD	Environmental Resource Department
FED	Finance and Economic Department
GO	Governor's Office
Government	Government of Mongolia
IFAC	International Federation of Accountants
JSC	Joint Stock Company
LG	Local government
LLC	Limited Liability Company
LWSA	Labor and Social Welfare Agency
MCO	Mongolian Customs Office
MEITI	Mongolia Extractive Industries Transparency Initiative
MEITIS	Mongolia Extractive Industries Transparency Initiative Secretariat
MMRE	Ministry of Mineral Resources and Energy
MNCCI	Mongolian National Chamber of Commerce and Industry
MINMA	Mongolian National Mining Association
MINT	Mongolia Tugrug
MOET	Ministry of Environment and Tourism Mongolia
MOF	Ministry of Finance of Mongolia
MONICPA	Mongolian Institute of Certified Public Accountants
MRAM	Mineral Resources Authority of Mongolia
MSWG	Multi -Stakeholder Working Group
MTA	Mongolian Tax Authority
NC	National Council
NSAM	National Statistical Authority of Mongolia
PAM	Petroleum Authority of Mongolia
PIT	Personal Income Tax
RMC	Representative meeting of citizens
SBD	Sukhbaatar district
SKHD	Songinokhairkhan district
SPC	State Property Committee of Mongolia
SRD	State receipt department
USD	United States Dollars
VAT	Value Added Tax

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10 June 2010

Hart Nurse Limited and Ulaanbaatar Audit Corporation have been appointed by the Mongolia Extractive Industries Transparency Initiative Secretariat to undertake the 3rd EITI Reconciliation for Mongolia for 2008 and to prepare a Report on this Reconciliation ("Engagement").

The Engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed-upon procedures engagements. The procedures performed were those set out in the Terms of Reference appended to this report, except where stated otherwise in this report including its appendices.

We set out our findings in report including its appendices. Because the procedures were not designed to constitute an audit or review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the transactions beyond the explicit statements set out in this report. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose of informing the Multi-Stakeholder Working Group and National Council on the matters set out in the terms of reference and is not addressed to any other party or to be used for any other purpose.

This report relates only to the subject matter specifically set out herein and does not extend to any financial statements of any entity taken as a whole.

**Hart Nurse Limited
Chartered Accountants**

**Ulaanbaatar Audit
Corporation LLC**

1. INTRODUCTION

This is the final report under the Mongolia 3rd EITI Reconciliation for the year 2008.

The report is intended for the use of the Mongolia EITI National Council and Multi-Stakeholder Working Group for the purpose of that initiative and is not to be relied upon by other parties.

The report comprises:

- Volume I - Report
- Volume II – Appendices

1.1. Objective

The objective of the Engagement is to ensure, in compliance with the procedures set out by the international EITI Secretariat, the transparency and credibility of mining sector payments and receipts in Mongolia. To this end, the Engagement entails an analysis and reconciliation of material payments and receipts made in the fiscal year 2008 in the mining sector.

1.2. Scope of work

Hart Group and UB Audit (“the Consultants”) were required to undertake the work set out in the Terms of Reference for the Engagement.

1.3. Limitations/Nature of exercise

Unless noted in our report, the reconciliation has been carried out on a cash accounting basis, with both cash and in-kind payments taken into account.

If there are material receipts or payments omitted from the reporting templates, our work would not be sufficient to detect them. Any such receipts or payments which were omitted would not therefore be included in our report.

In conducting our work, we have relied upon the information and explanations obtained from Covered Entities. No representation is made as to the accuracy or completeness of such information.

This report is prepared both in English and Mongolian. If there should be any differences or contradictions between the English version and the Mongolian version, the English version will prevail.

Our report incorporates information received up to 27th May 2010, which is the deadline set by the MTA following a review of our initial draft report by the Multi-Stakeholder Working Group of MEITI. Any information received after this date is not, therefore, included in our report.

1.4. Participants in the EITI Reconciliation

Templates for information from central government departments were provided by the Ministry of Finance. The central government departments participating in the 2008 EITI reconciliation are:-

- Ministry of Finance
- Tax Authority
- Ministry of Environment and Tourism
- Mineral Resources Authority
- Petroleum Authority
- Customs Office
- Labour and Social Welfare Service Agency and
- State Property Committee.

In addition, governors of capital, aimags, districts and soums have provided information. A full list of the Covered Entities is included at Appendix G.

46 companies with payments in excess of MNT 100 billion have been included in the exercise.

A full list of the Covered Companies is included at Appendix D.

1.5. Structure of the report

The report contains:-

- a. An Executive Summary
- b. A brief overview of the extractive sector in Mongolia
- c. Our approach to undertaking the Engagement
- d. An aggregation of the flows (payments and receipts) reported
 - i. Initially to the MEITIS
 - ii. After excluding items not included in the scope of the exercise
 - iii. After reconciliation of the initial differences, to the extent this was possible based upon the information and explanations provided by Covered Entities
- e. Unresolved differences, with information about the type of receipt/payment involved and the Covered Entities whose reported figures remain un-reconciled.
- f. A discussion on payments to aimags and soums, including the results of field trips
- g. A summary of issues arising during the Engagement
- h. Recommendations for improvements in transparency and EITI processes

Full details of initial differences, adjustments made and unresolved differences, analysed by company and by type of financial flow, are contained in Appendices, together with other supporting information.

1.6. Acknowledgement

The Consultants would like to express our sincere thanks to team of the MEITIS, Mr. Tsolmon Sh, and Mrs. Khurelchimeg T., for supporting and assisting us with organisation of meetings with major officials from the government and its various organisations and agencies, as well as with mining companies; and for sending and receiving official confirmation letters to/from these parties.

Also to Mrs. Dolgor B, Head of Working Group and Senior Adviser of Prime Minister, and Mr. Sumya E., Secretary of Working Group and Principal Officer of the Government of Mongolia, in particular, who have been instrumental assisting us in receiving timely replies from the government and as well as from the local governments.

2. EXECUTIVE SUMMARY

In this section, we summarise the main findings from the exercise to reconcile the receipts declared by the government from extractive companies included in the 2008 EITI reconciliation with the payments to government reported by those companies.

2.1. Financial flows

The table below shows:

- i. The aggregate flows reported by Covered Entities initially, and the differences between receipts reported by government and payments reported by companies
- ii. Adjustments made as a result of our reconciliation work
- iii. The adjusted aggregate flows and the differences which could not be resolved

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000
				Government	Company	Government	Company	
Taxes	513,176,775	529,354,346	(16,177,571)	821,835	(15,428,524)	513,998,607	513,925,821	72,788
Fees	117,144,724	118,715,936	(1,571,212)	(11,678,010)	(13,172,267)	105,466,713	105,543,670	(76,955)
Charges and Service Charges	2,434,776	2,918,513	(483,737)	52,050	(74,897)	2,486,826	2,843,616	(356,790)
Dividends on state and local property	27,349,905	21,133,422	6,216,483	-	6,216,483	27,349,905	27,349,905	-
Other payments to recipient government	-	26,669,948	(26,669,948)	26,669,948	-	26,669,948	26,669,948	-
Donations to governmental organisations	1,048,225	10,364,538	(9,316,313)	4,893,179	(4,353,078)	5,941,404	6,011,460	(70,056)
Costs disbursed for the protection of the environment	4,580,546	3,727,118	853,428	(1,540,781)	(17,960)	3,039,765	3,709,159	(669,394)
Total	665,734,951	712,883,821	(47,148,870)	19,218,221	(26,830,242)	684,953,171	686,053,578	(1,100,407)

Costs disbursed for the protection of the environment do not represent flows paid to the government and it became clear to us during our reconciliation that differences relating to these costs cannot, therefore, be adjusted.

Excluding costs disbursed for the protection of the environment, total unresolved differences are:

Section	Unresolved Differences MNT 000	Adjustments made	Unresolved Differences MNT 000
Taxes	72,789		72,789
Fees	(76,956)		(76,956)
Charge, service charges	(356,790)		(356,790)
Dividends on state and local property	-		-
Other payments to recipient governments	-		-
Donations to Governmental organisations	(70,056)		(70,056)
Costs disbursed for protection of the environment	(669,394)	679,511	10,117
Total	(1,100,407)	679,511	(420,896)

The unresolved difference of MNT1.1 billion are explained in this Report and Appendices and we set out which companies spent costs for the protection of the environment and how differences have occurred.

See Section 8.2 for comment on costs disbursed for the protection of the environment; and Section 9.2 (d) for recommendations on this area.

2.2. Initial flows

The templates submitted to MEITIS contained a number of obvious errors in completion or omissions, which arose due to a combination of

- i. inadequate understanding of the requirements, by government departments and companies
- ii. inadequate care over completion of the templates, particularly by MTA
- iii. failure to provide data requested, especially from aimags and soums

2.3. Adjusted flows

After our reconciliation work, there remain discrepancies totalling MNT 1.1 billion which could not be resolved with the parties reporting the different figures. These discrepancies represent 0.16% of total flows to the government. This figure is not material in the context of the EITI exercise but the Working Group should consider whether they wish to investigate them further.

The unresolved discrepancies arise almost entirely from lower reporting of receipts by local government, specifically on “Service charges paid to state and local administration in accordance with relevant law” (MNT 357 million) and “Costs disbursed for protection of the environment” (MNT 680 million).

2.4. Central government ministries and agencies

LWSA and MCO were slow to provide information and required much follow up work by our staff.

Communication of information between ministries and government agencies needs to be improved. Government figures were often mis-reported because of this. Communication between local offices of the MTA and the central functions also requires improvement.

The systems and processes at MTA require review and improvement. A number of adjustments were made to the initial information provided by the MTA from which it is evident that this initial information was not correctly prepared.

By way of example, the MTA reported receipts of MNT 7.35 billion for royalties from one company, which was MNT 3.38 billion lower than was reported by the company. The MTA eventually provided detailed reports showing receipts of MNT 10.73 billion, which was the figure declared by the company. The MTA has been unable to justify its original submission or the reason for the delay in producing the revised information.

2.5. Local government

Obtaining information from officials in the aimags and soums proved difficult as in previous years, in particular concerning donations, where the figure initially reported of MNT 1.0 billion was increased by MNT 4.9 billion as a result of the reconciliation.

There were two major changes and numerous smaller changes to local government templates.

- I. MNT 3.4 billion was added to government figures after comparison with the initially reported figures of Chin Hua MAK nariin sukhait LLC. The company provided detailed information confirming their initial reported figures for maintenance for Culture Centres of Gurvan tes soum of Umnugobi aimag and monetary donations for road construction work to the border point of Shivee huren. We sent letters to Governor of Umnugobi requesting confirmation of the amount reported by the company. The Culture Centre of Gurvan tes soum confirmed the donations while Mr.Otgonbayar, Development policy

department office of Aimag administration, commented that donations for road construction work to Border point expenditures and the terms of road completion provided are unclear.

- II. Donations of MNT 1.0 billion were reported by the company as provided to the Sustainable Development Fund of Mandal, Bayangol, and Tukhel soum of Selenge aimag. The Government initially did not report any amount. When our team member visited these soums, they saw in the local accounting records that the 1.0 billion was recorded

There is a need to examine the reporting systems and processes for recording and controlling expenditure and receipts at aimag and soum level so that government can be sure income is appropriately recorded, that expenditure is properly disbursed and is controlled within budgetary levels.

We also note that the figures from the aimags and soums are consolidated by MOF, which provides no support for the consolidation, making it impossible to see whether reporting deficiencies have arisen at local government level or within MOF.

2.6. Material receipts

The Working Group has determined which government receipts are material for the 2008 reconciliation and included them in the templates circulated to Covered Entities for completion. Our work has been carried out within this approved definition.

The scope of the reconciliation requires review for the future because we believe material receipts may have been omitted, while other receipts currently included are not flows between extractive companies and government, and other receipts currently included are not financially material.

i. *Sub contractors*

Many of the operating mining companies sub-contract part of their operations to other companies. Payments from these sub-contracting companies, if made by the operating mining companies, would be disclosed on the templates. We recommend that payments from these sub contractors should be included within the scope of future reconciliations if they are ascertained to be material.

ii. *Donations*

The donations reported by companies did not represent, in many cases, payments to government; rather, they were costs which the company incurred voluntarily and has designated as being for the benefit of the community (e.g. construction of a road).

We recommend that costs not paid to government should be excluded from the EITI template and reconciliation and shown under Section 2 of the EITI template.

We further recommend that the Working Group should consider a minimum individual value for reporting donations to government

iii. *Charges and service charges*

Total receipts reported by government for “charges and service charges” in 2008 amounted to MNT 2.5 billion, out of total adjusted receipts of MNT 685 billion. These charges, then, represent only 0.36% of total government receipts captured under the current EITI exercise. We recommend that the Working Group should consider whether they should be included since they are not a financially material receipt from the extractive sector.

2.7. Costs disbursed for protection of the environment

These costs are reported by companies but are not paid to government bodies; rather they are paid to local contractors for various works. This means that any reconciliation would be between

- a. costs declared by the company to MOF and the EITI reconciler; and
- b. figures which the government declares based upon returns the company itself has made, and not as actual receipts to the government

This is not an independent reconciliation. We recommend that such costs are included as voluntary disclosures in Section 2 of the EITI template rather than as costs which require reconciliation. Two thirds of the unresolved discrepancies relate to these costs.

We noted the report submitted to MOET notifying MOET of expenditure incurred is prepared by technical personnel, apparently without reference to company financial staff. The costs reported, therefore, do not appear to be substantiated by reference to expenditure records within the company. This requires further investigation by MOET, since these reports are the key control over environmental expenditure which the company is required to carry out.

2.8. Information based on audited financial statements

In addition to our terms of reference, when we found that Template #1 had not been checked by the company's auditors, we asked each company to confirm the status of the information by means of a letter addressed to us from its Board of Directors. 18 of the 46 companies replied, while 28 companies have not replied. Details are included in Appendix E.

2.9. Field visits to Selenge and Darkhan-Uul aimags

In view of the difficulties experienced in obtaining information from local governments, we carried out field visits to two aimags, six soums and thirty-five local organisations of eight companies to test the processes first hand. The results of these visits are set out in Section 7.

3. OVERVIEW OF EXTRACTIVE SECTOR IN MONGOLIA

Mongolia has rich natural resources, principally gold, copper, coal, and rare earth minerals. The country's gold and copper reserves are believed to be among the largest in the world.

Today the mining sector of Mongolia generates 75% of the total export income of Mongolia and provides almost 42 thousand people (4% of the total working capital) with working places.

The contribution of the extractive industries sector to the economy is as follows:

	Year 2004	Year 2005	Year 2006	Year 2007	Year 2008
Gross domestic production /GDP/	17.3%	18,0%	30.0%	27,5 %	28.2%
Industrial production	64.7%	65,5%	68,4%	67.8%	64.3%
Export production	70.80%	75.8%	76,0%	68,8%	80.7%

Source: Mongolian Statistical Office

In addition to mining, oil exploration activities are also being undertaken, with some production now starting (see below).

3.1. Minerals

Mongolia produces gold, copper, coal, fluorspar, zinc, iron ore, tungsten, and exports nearly all its produced copper concentrate, molybdenum, coal and zinc to China, fluorspar to Russia, the United States, Ukraine, gold to Canada, the United States, United Kingdom, and China.

The Ministry Resources Authority of Mongolia (MRAM) publishes the following summaries of resource availability and exploitation:

Natural Resources of Mongolia

Natural resources	Number of deposits
Gold	511
Copper	6
Molybdenum	3
Lead	4
Zinc	4
Tin	12
Tungsten	17
Iron	29
Coal	85
Fluorite	83
Limestone	48
Clay	81
Sand and gravel	84
Sand for construction materials	53

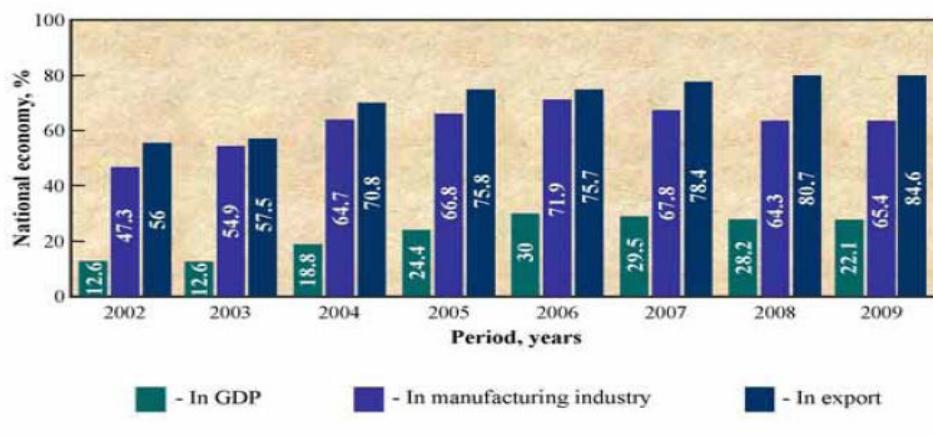
The Mining Production by Commodity

Commodity	2004	2005	2006	2007	2008	2009
Fluorite	206.7	233.4	239.4	245	219.1	344.2
Fluorite concentrate	102.7	93.7	108.3	109.9	115.7	115.3
Copper in concentrate	130	126.3	129.7	130.2	126.8	129.8
Molybdenum in concentrate	1.14	1.15	1.41	1.98	1.78	2.41
Tin concentrate /50 %/	0.022	0.047		0.03	0.09	0.015
Tungsten concentrate /68 %/	0.077	0.078	0.182	0.244	0.142	0.039
Coal	6665	7517.1	8074.1	9237.6	9691.6	13164
Gold	0.019	0.022	0.021	0.018	0.015	0.001
Cathode copper	2.38	2.48	2.62	3.01	2.59	2.47
Iron ore	33.5	167.7	180	265.1	1387.4	1379.0
Zinc concentrate /wet/		22.8	109.9	154.7	143.6	156.5
Cast copper		0.20	0.22			
Molybdenum oxide			0.16	2.66	2.11	0.157

In 2008, about 75% of Mongolia's total export revenue was derived from mineral commodities. Of that percentage, copper accounted for 33%; gold, 24%; coal, 7%; petroleum, 4%; and zinc, 6%. Mongolia received 66% of its total export revenue from China, followed by Europe, 17%; the United States and Canada, 11%; Russia, 3%; and the remainder, from other countries (Mineral Resources Authority of Mongolia, 2009; World Bank, 2009b).

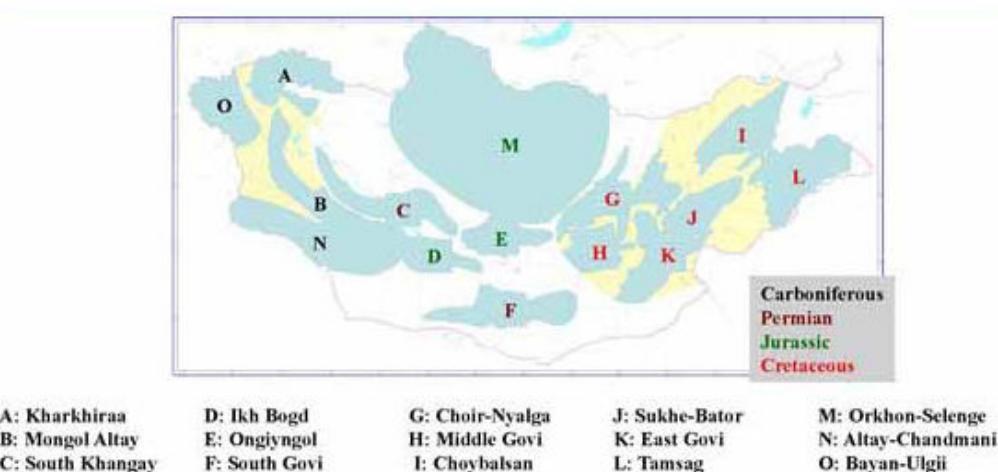
MRAM also summarises the financial contribution of the sector to the national economy:

The Role of Mining Sector in the National Economy



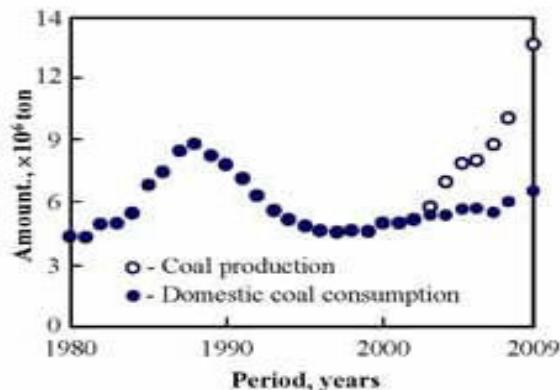
3.2. Coal

Coal deposits are largest in the east but are spread throughout the country:-



Mongolia is one of the prominent countries having large resources of coal in the world and the geological reserves reach about 162.3 billion tons in various coal quality ranks from lignite to anthracite. Approximately 300 coal deposits and occurrences are known.

Production has increased over recent years, and with domestic consumption remaining relatively static, exports – primarily to China – have increased significantly.



(Information from MRAM website)

3.3. Oil

Mongolia's sedimentary basins were divided into 25 exploration blocks for international bidding, and the Petroleum Authority of Mongolia was working to add four more. Exploration blocks were located mostly in the southern half of the country in central, eastern, and western Mongolia. The East Gobi sedimentary basin encompassed four petroleum sub-basins in east-central Mongolia. The Zuun Bayan basin was discovered in 1941 when there was intensive exploration and extraction.

The Tamsag basin was discovered in eastern Mongolia in the 1990s and a 2001 Chinese National Oil Corp. survey of the basin estimated its reserves to be 1.5 billion bbl. In recent years, other fields have been explored and exploited, including the Tasagaan Els basin and some basins in western Mongolia. Exploration activities

from 1994 to 2008 included 17,600 km of two-dimensional seismic work, 6,000 km of three-dimensional seismic work, the drilling of 448 wells, and foreign direct investment of \$952 million¹.

In 2008, petroleum exploration and production activities were being conducted by one Canadian company (Shaman Resources, LLC); three Chinese companies (Petro China Daching Tamsag-Mongolia LLC, Dong Sheng Petroleum LLC, and China Golden Sea, LLC); and one Mongolian company (Petro Matad LLC). The Toson-Uul and PSC-97 Blocks were production blocks with 50 and 31 producing wells, respectively. The Toson-Uul Block produced 3,800 bbl/day and the PSC-97 Block produced 1,800 bbl/day, and together, the blocks have produced, cumulatively, about 3.4 Mbbl (of which 3.1 Mbbl was exported because the country does not have a refinery to process the petroleum). The country reported that, by 2010, Petro China Daching Tamsag-Mongolia would produce about 3 million barrels per year (Mbbl/yr) and that, by 2015, that number would reach 11.3 Mbbl/yr².

¹ Prost, 2004; Amarsaihan, 2009; Petroleum Authority of Mongolia, 2009
² Amarsaihan, 2009; Petroleum Authority of Mongolia, 2009

4. APPROACH

4.1. Basis of the exercise and materiality

The MOF issued a report for 2008 covering 184 companies operating in the extractive industries sector, showing receipts by the government from these companies under the headings used in the templates approved by the MSWG for use in the 2008 EITI reconciliation. The Government Departments, aimags, soums and other government agencies/organisations included in this exercise are the “Government Entities”: they are listed in Appendix G.

Under instructions from the MSWG, the MOF requested all companies where government receipts were shown to exceed MNT 100 million to complete a template, showing the payments made in 2008. There were 46 companies where the government reported receipts in excess of MNT 100 million for 2008 and these are the “Covered Companies”. They are listed in Appendix G.

The MOF schedules comparing the receipts declared by the government with the payments declared by the 46 companies formed the basis for the reconciliation exercise.

The MSWG has issued no guidance on materiality in respect of discrepancies between reported payments and receipts. On 14th May 2010, we presented a draft report to the MSWG, showing the discrepancies remaining unresolved. Following this meeting, at the request of the MSWG, the MTA wrote to 27 of the companies requesting that they provide further information by 25th May 2010 to explain the unresolved discrepancies between the figures they had reported and the figures reported by the government.

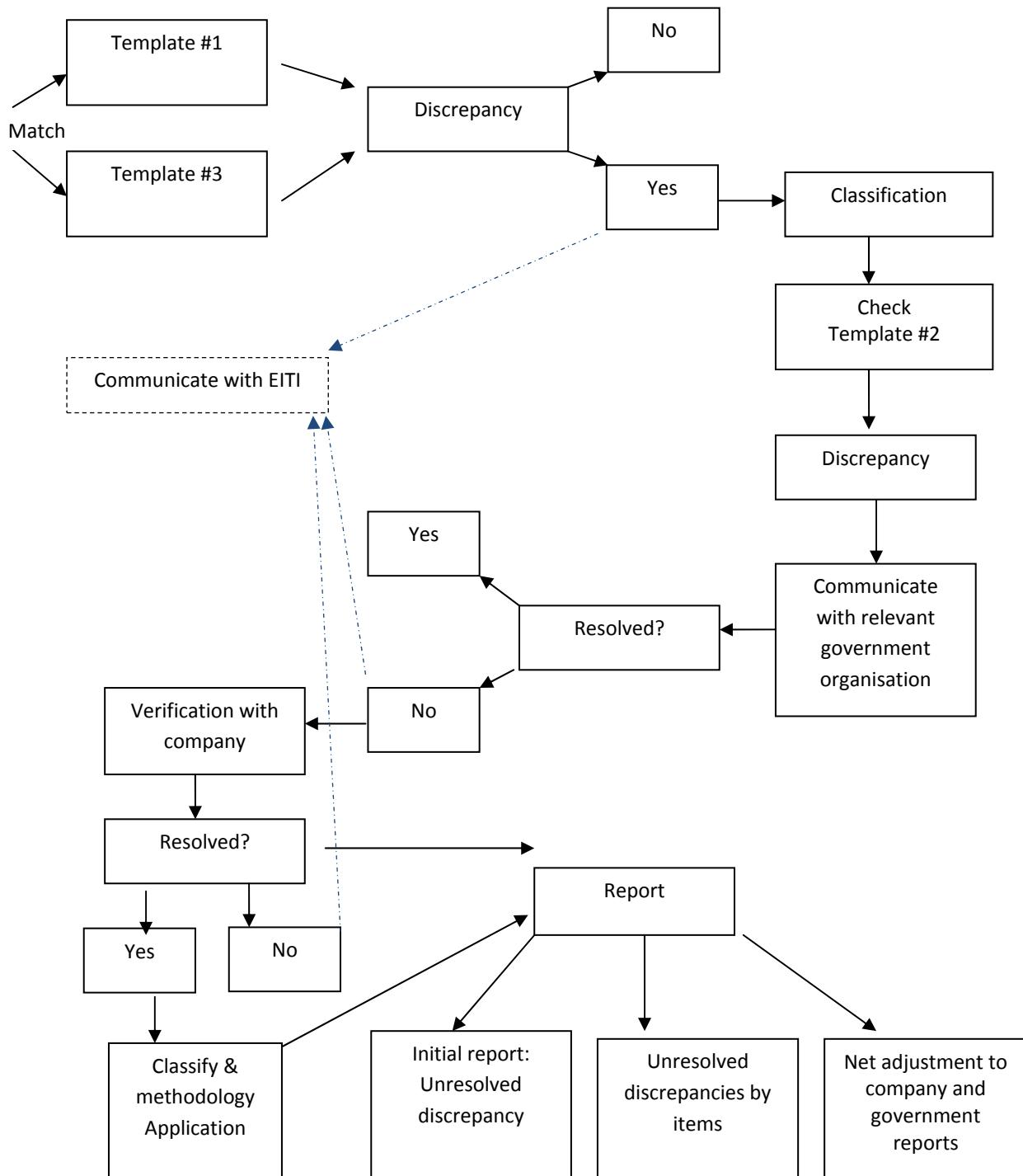
This report takes account of all replies received up to 27th May 2010.

4.2. Audit approach and methodology

The approach we have adopted is summarised below:

- Gained a thorough understanding of the EITI procedures established for Mongolia through discussions with the EITI Mongolia Secretariat and review of relevant documents, including in particular the accounting principles and treatments established for the reporting templates and the margin of error that has been established.
- Prepared schedules incorporating the information reported by Covered Entities and adjusted these returns to remove items which were incorrectly included (e.g. tax penalties and fines) or mis-stated (e.g. reported in MNT rather than MNT000 as required) Carried out reconciliation procedures with a view to resolving reported discrepancies.
- Liaised with both Company and Government Departments to resolve discrepancies.
- Explained all the adjustments made during the reconciliation.
- Provided EITI Mongolia with copies of detailed work sheets for each company supporting aggregated figures in report.

4.3. Interrelations of the work flow



4.4. Methodology

Data has been reported by companies on EITI Mongolia Template 1. Upon enquiring, we found that this Template (#1) had not been checked by the Company's auditors. Accordingly, we asked each company to confirm the status of the information by means of a letter addressed to us from its Board of Directors. Details of the replies received are included in Appendix E.

Template 1 is divided into 2 sections namely:

- Scope 1: Scope 1 consists of 2 main parts and the first part was stated cost of goods and sales amounts both in unit and currency monetary unit of mining companies. The Second part included taxes, fees, Dividends on state and local property, other payments to recipient Government, Donation to Governmental organisations, Costs disbursed for environment protection, paid by foreign and domestic companies to state and local budget, and
- Scope 2: Revenues and profit flow (voluntary basis)

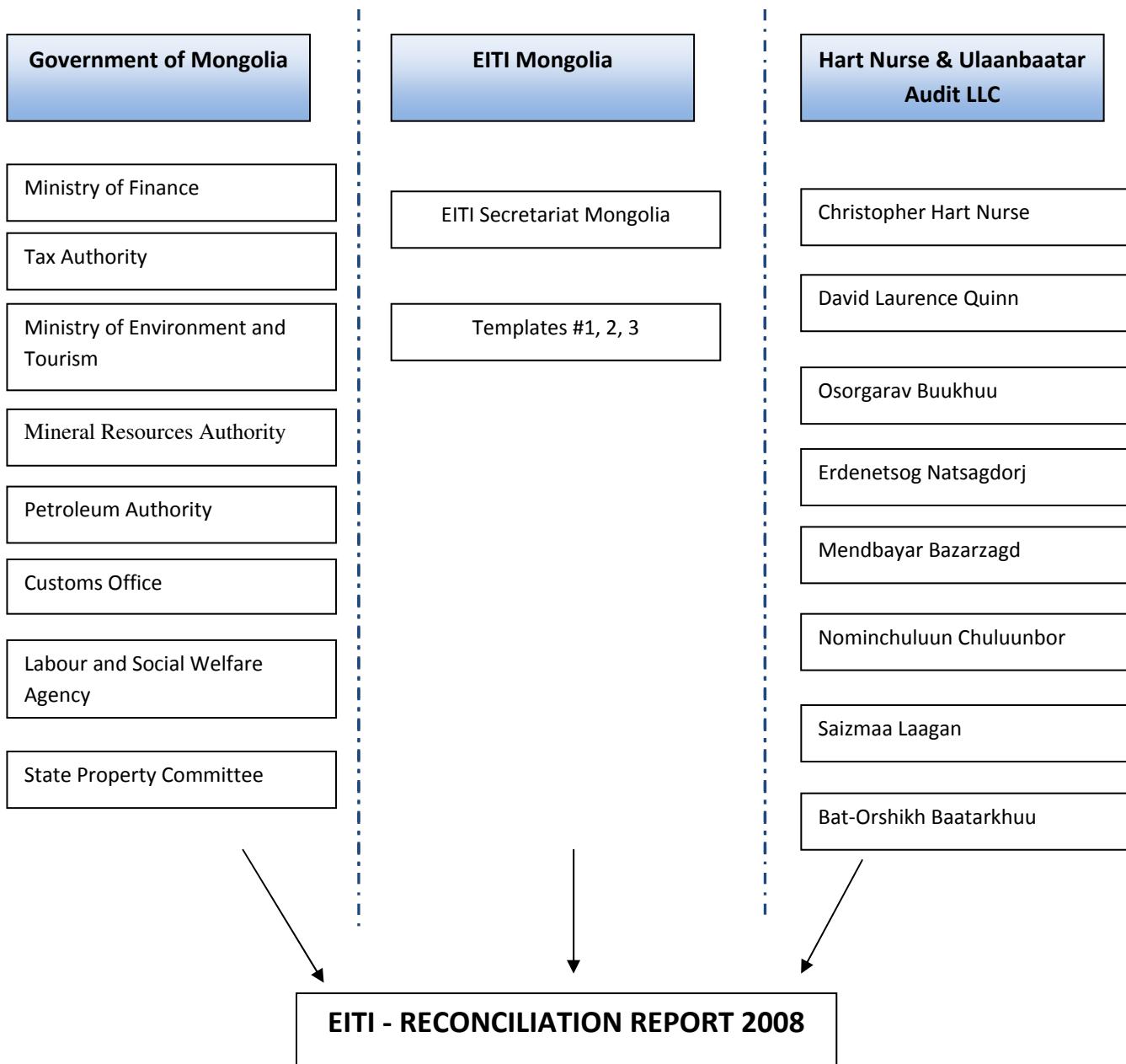
Excel spreadsheets were used to match taxes and fees paid by companies to government and local budget recorded for each Indicator on the template supplied by each company (EITI Template 1) with those recorded on each company's consolidated report prepared by government organisations (EITI Templates 2&3).

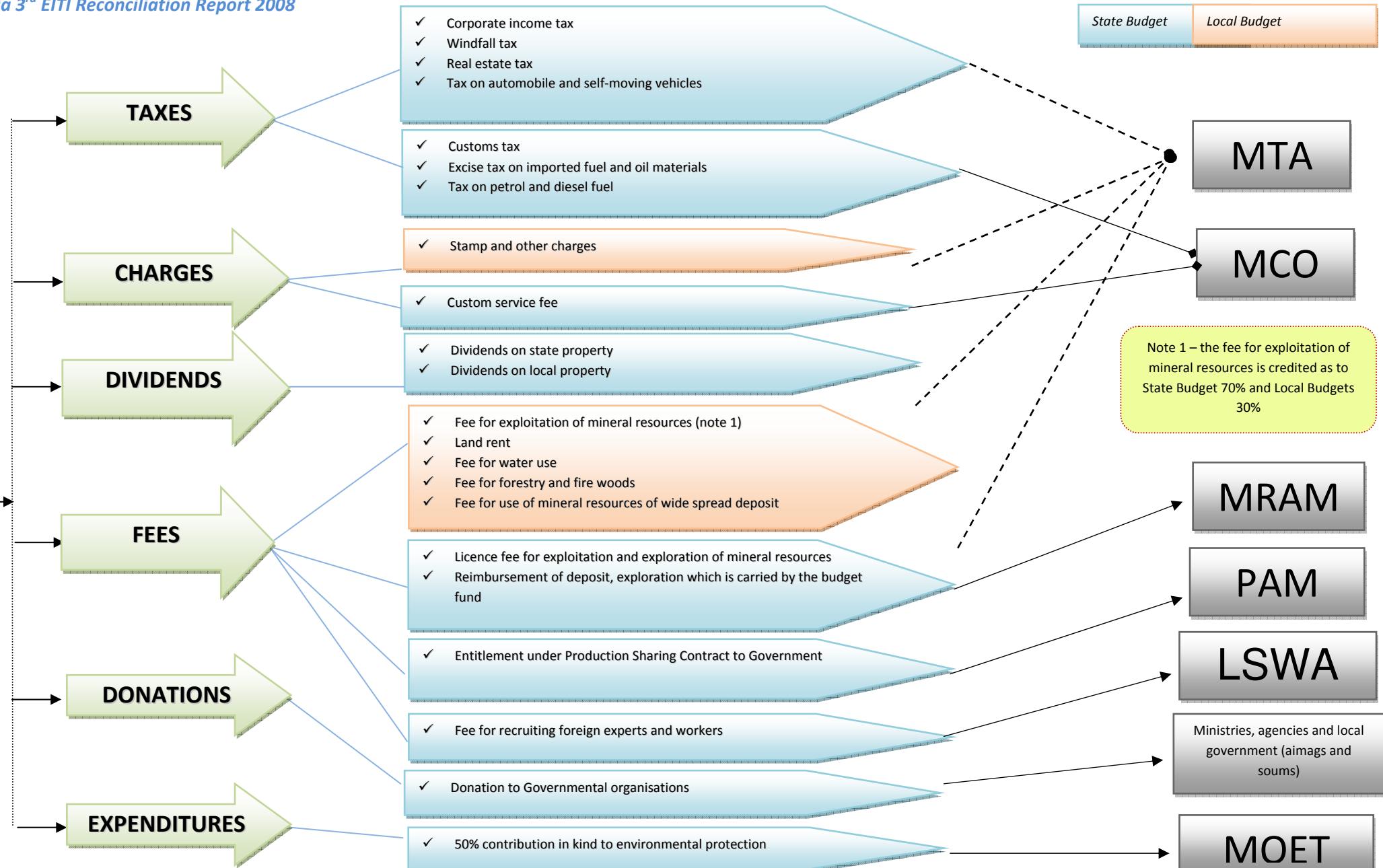
All discrepancies arising were tabulated and

The compilation of the consolidated figure(s) on EITI Template #3 was checked from information provided on EITI Templates #2 by each Government organisation and Taxation authority.

- Detailed reconciliations were requested as necessary from relevant Government Organisations and Taxation Authorities (detailing the dates and amounts of receipts making up the amount disclosed on Template 2) and used to match with reconciliations of payments made by companies in order to identify the details of, and where possible explain, the discrepancy as detailed below,
- After considering the number, size and type (indicator) of the discrepancies that have occurred for a particular company, we:-
 - Reviewed the validity of data contained in MEITIS Template #1. Depending on the nature of the item, this involved checking from source documents, analytical review or independent confirmation.
 - Requested the relevant Company to provide a copy of their reconciliation (workings detailing the payment dates and amounts) supporting the calculation of the payment figures they have included on EITI Template #1.
 - Where this procedure has not satisfactorily explained a discrepancy, we reverted to the review process outlined above.
- Where the process did not resolve the manner in which the discrepancy(s) should be corrected, joint meetings have been held with the company and relevant government organisation to agree a solution.
- Discrepancies identified by the matching process have been classified by type / nature once the reasons for the discrepancy(s) have been identified (or if necessary as unresolved) in order to highlight any common issues which occurred in the preparation of the Templates and the EITI process.

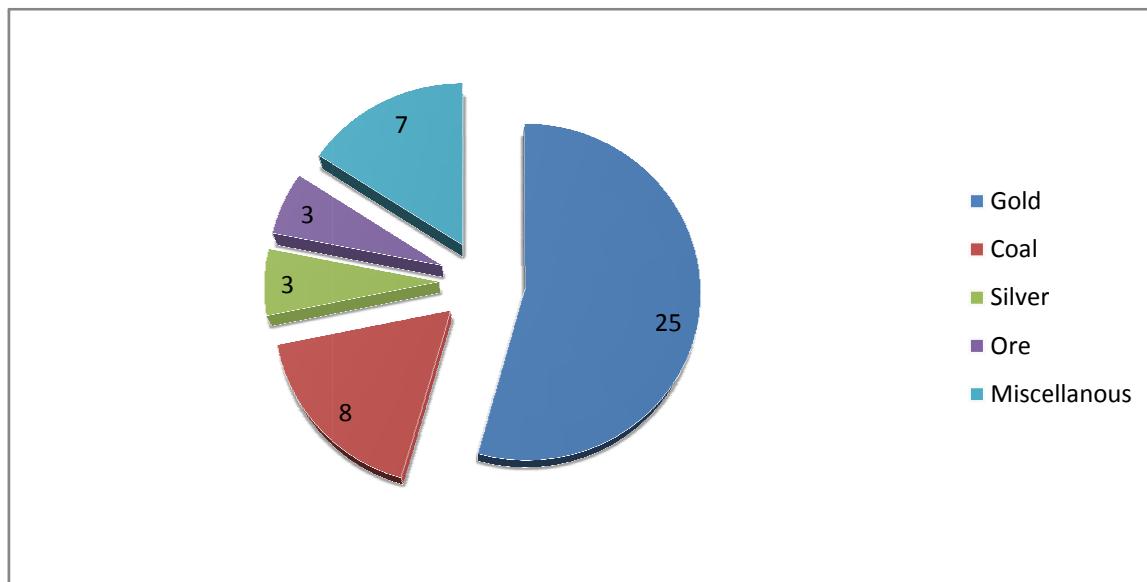
4.5. Stakeholders' participation chart



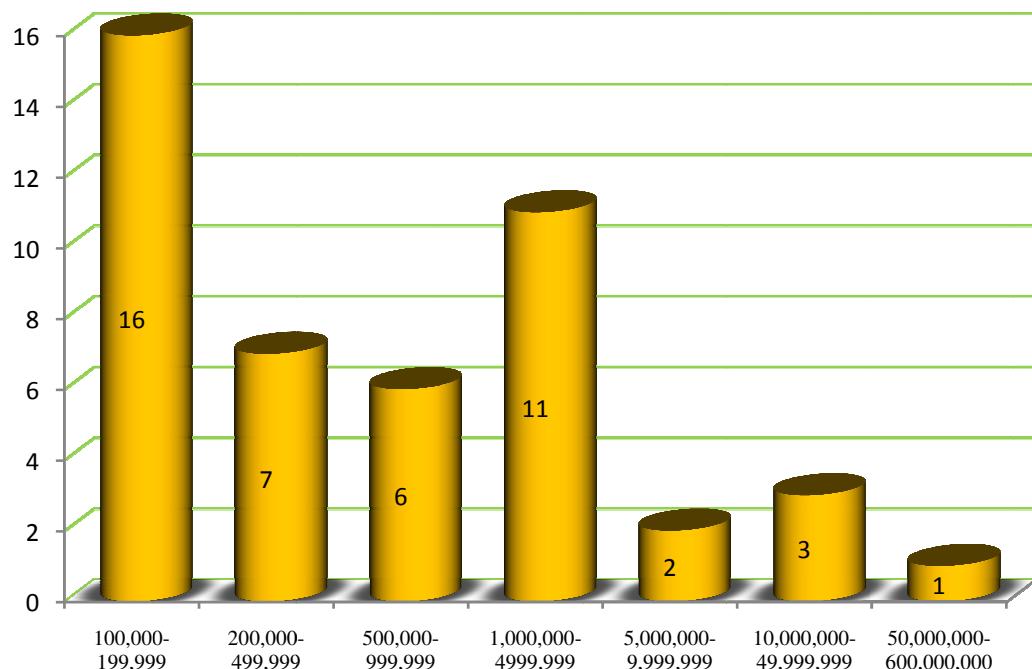


4.6. Covered Companies

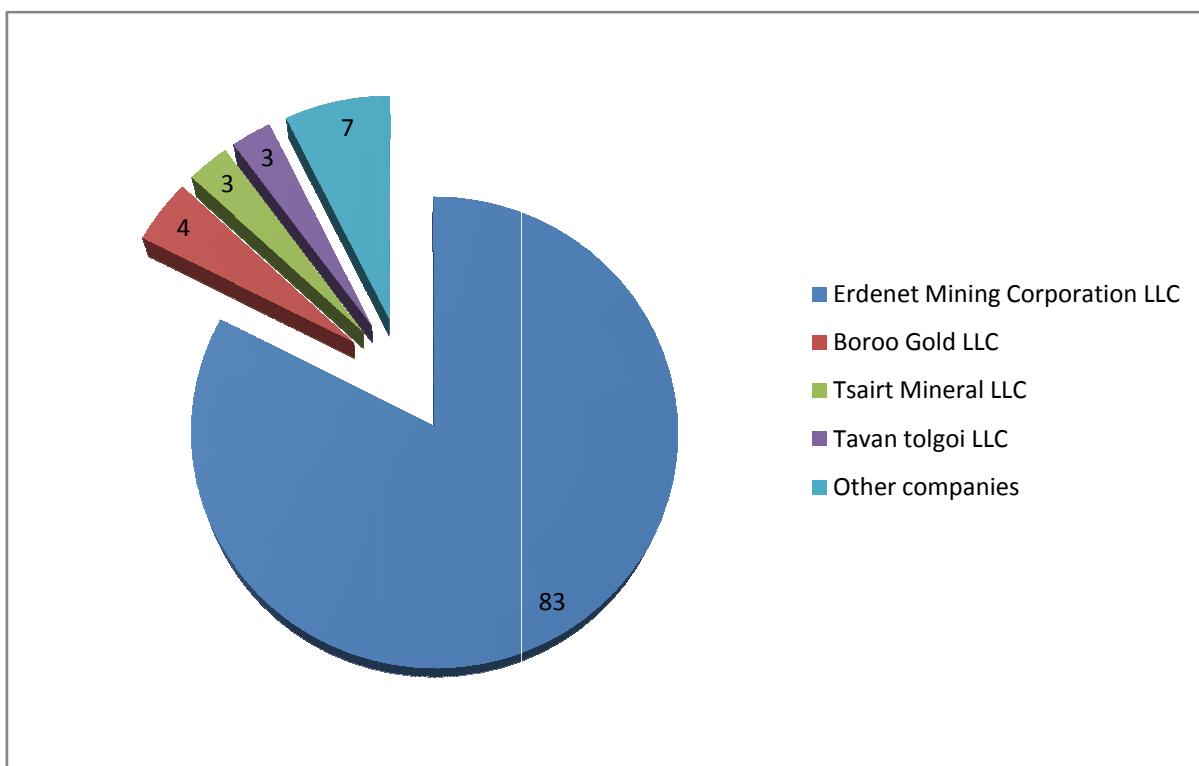
The 46 companies included in EITI Report were classified by their operations and activities as shown below (“Miscellaneous” includes 24 mining companies and one oil company):



The 46 companies' corresponding payments to Government of Mongolia were as follows for the tax year 2008:



Payments were made to Governmental Organisations in 2008 by companies as shown below, expressed as a percentage of the total payments covered under EITI:



From this diagram, it can be seen that Erdenet Mining Corporation LLC is the largest paying company, by a large margin, and that the contribution from most of the 46 companies is relatively small.

5. RECONCILIATION OF FINANCIAL FLOWS

5.1 Aggregated financial flows reported initially

Following an initial review of the templates submitted by Covered Entities, it became clear that many companies had included taxes such as VAT, PIT and other payments, which were not required for the exercise. In addition, one company – Shijir Alt LLC – completed the templates in MNT rather than MNT 000 as requested.

After excluding taxes which were reported but not required, and including Shijir Alt LLC correctly as MNT, a comparison of the figures reported shows an initial net difference of (**MNT 47,148,870 thousand**).

Section	As reported by		Net Differences
	Government Entities	Companies	
	MNT 000	MNT 000	MNT 000
5.1 Taxes	513,176,775	529,354,346	(16,177,571)
5.2 Fees	117,144,724	118,715,936	(1,571,211)
5.3 Charge, service charges	2,434,776	2,918,513	(483,737)
5.4 Dividends on state and local property	27,349,905	21,133,422	6,216,483
5.5 Other payments to recipient governments	-	26,669,948	(26,669,948)
5.6 Donations to Governmental organisations	1,048,225	10,364,538	(9,316,313)
5.7 Costs disbursed for protection of the environment	4,580,546	3,727,118	853,428
Total	665,734,951	712,883,821	(47,148,870)

The table above shows the net differences resulting from a comparison of the returns from covered entities. Within this net figure, there were differences between reported payments and receipts as follows:

MNT 000
Payments reported by companies which exceed the corresponding receipts reported by Government Entities
(54,218,782)
Receipts reported by Government Entities which exceed the corresponding payments reported by companies
7,069,911

5.1.1 Aggregated financial flows reported to the MEITI Working Group on 14 May 2010

Following much effort to reconcile the figures reported initially by the Covered Entities, including meetings with companies and government entities, we reported on progress to the MEITI Working Group on 14th May 2010.

At this stage, the unresolved discrepancies were as follows:-

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
5.1 Taxes	(16,177,571)	571,368	(13,649,744)	(1,956,459)
5.2 Fees	(1,571,212)	(14,244,097)	(13,263,934)	(2,551,375)
5.3 Charge, service charges	(483,737)	52,050	(73,882)	(357,805)
5.4 Dividends on state and local property	6,216,483	-	6,216,483	-
5.5 Other payments to recipient governments	(26,669,948)	26,636,793	-	(33,155)
5.6 Donations to Governmental organisations	(9,316,313)	1,735,053	(3,948,674)	(3,632,586)
5.7 Costs disbursed for protection of the environment	853,428	(3,636)	841,769	8,023
Total	(47,148,870)	14,747,531	(23,877,983)	(8,523,356)

The table above shows the net differences resulting from a comparison of the returns from covered entities. Within this net figure, there were differences between reported payments and receipts as follows:

		MNT 000
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	(54,218,781)	(8,531,380)
Receipts reported by Government Entities which exceed the corresponding payments reported by companies	7,069,911	8,023

5.2 Aggregated financial flows after reconciliation and adjustment

After the meeting with the MEITI Working Group, the MTA was asked to write to 27 of the companies requesting that they provide further information by 25th May 2010 to explain the unresolved discrepancies between the figures they had reported and the figures reported by the government.

We received additional information following this intervention, which we have incorporated into this report, taking account of any such additional information received by 27th May 2010.

A comparison of returns from Covered Entities as a result of our reconciliation work shows the following:-

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
5.1 Taxes	(16,177,571)	821,835	(15,428,524)	72,788
5.2 Fees	(1,571,212)	(11,678,010)	(13,172,267)	(76,955)
5.3 Charges and service charges	(483,737)	52,050	(74,897)	(356,790)
5.4 Dividends on state and local property	6,216,483	-	6,216,483	-
5.5 Other payments to recipient governments	(26,669,948)	26,669,948	-	-
5.6 Donations to governmental organisations	(9,316,313)	4,893,179	(4,353,078)	(70,056)
5.7 Expenditure for environmental protection	853,428	(1,540,781)	(17,960)	(669,394)
Total	(47,148,870)	19,218,221	(26,830,242)	(1,100,407)

The table above shows the net differences resulting from a comparison of the returns from covered entities. Within this net figure, there were differences between reported payments and receipts as follows:

MNT 000		
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	(54,218,781)	(1,173,195)
Receipts reported by Government Entities which exceed the corresponding payments reported by companies	7,069,911	72,788

A large part of the initial differences is related to donation amounts given to government organisations from the companies. The below table shows large increase of the reported donation amount by the companies compare to year 2007. It is due to companies number taken under reconciliation, since there were 38 companies in year 2007 while 46 in year 2008.

	Per government organisation reportings	Per companies reportings	Initial differences
Year 2007	1,776,238	6,543,559	(4,767,321)
Year 2008	1,048,225	10,364,538	(9,316,313)
Difference	(728,013)	3,820,979	4,548,992

Details of all adjustments made to amounts in the templates initially submitted as a result of the reconciliation exercise are shown in the Appendices, analysed by financial flow in Appendix A and analysed by company in Appendix B.

The discrepancies remaining unresolved after the reconciliation are discussed further in Section 6 of this report.

6. UNRESOLVED DIFFERENCES

6.1 Aggregated unresolved differences

After reconciling the figures, certain differences remain unresolved. These are discussed in detail in this section, by type of financial flow.

A summary of the initial differences between receipts reported by Government Entities and companies, the adjustments made as a result of the reconciliation exercise, and the remaining unresolved net differences shows:

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
1 Taxes	(16,177,571)	821,835	(15,428,524)	72,788
2 Fees	(1,571,212)	(11,678,010)	(13,172,267)	(76,955)
3 Charge, service charges	(483,737)	52,050	(74,897)	(356,790)
4 Dividends on state and local property	6,216,483	-	6,216,483	-
5 Other payments to recipient governments	(26,669,948)	26,669,948	-	-
6 Donations to Governmental organisations	(9,316,313)	4,893,179	(4,353,078)	(70,056)
7 Costs disbursed for protection of the environment	853,428	(1,540,781)	(17,960)	(669,394)
Total	(47,148,870)	19,218,221	(26,830,242)	(1,100,407)

The table above shows the net differences resulting from a comparison of the returns from covered entities. Within this net figure, there were differences between reported payments and receipts as follows:

MNT 000		
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	(54,218,781)	(1,173,195)
Receipts reported by Government Entities which exceed the corresponding payments reported by companies	7,069,911	72,788

The total unresolved differences of MNT 1,100,407 shown above arise in the following companies:

Companies	Unresolved differences MNT 000
<u>Company payments higher (net) than government receipts</u>	
"Boroo gold" LLC	(1,140,161)
"Mongolrustvetmet" LLC	(893,452)
"Erdenet Mining Corporation" LLC	(130,440)
"Ivanhoe mines mongolia" Ltd	(126,811)
"Chinkhua MAK nariin sukhait" LLC	(120,361)
"Bold tumur eruu gol" LLC	(109,750)
Other payments lower (net) than MNT43.000 thousand	(163,837)
Total	(2,684,812)
<u>Company payments lower than government receipts</u>	
"Tsairt mineral" LLC	1,435,782
"Mongol gazar" LLC	101,747
Other payments lower (net) than MNT44.200 thousand	46,876
Total	1,584,404

6.2 Taxes

The unresolved differences in respect of taxes mostly arose from customs tax, windfall tax and real estate tax. Companies with material differences are shown below:

Companies	Unresolved differences MNT 000
<u>Company payments higher (net) than government receipts</u>	
"Baganuur" JSC	(8,436)
"Shijir Talst" LLC	(679)
Other payments lower than MNT350 thousand	(644)
Total	(9,759)
<u>Company payments lower than government receipts</u>	
"Tavan tolgoi" LLC	50,105
"Mongol gazar" LLC	19,029
"Boroo gold" LLC	7,458
"Ten khun" LLC	4,866
Other payments lower than MNT600 thousand	1,088
Total	82,546

Main reasons for the differences are as follow:

- “Baganuur” LLC did not report the customs tax in the template initially submitted to the EITI; during the reconciliation, the company provided further detailed information and the relevant adjustments were made. However, there are still unresolved differences due to inconsistency of the reporting of the parties. In other words, the company reported the amount actually paid, whereas the government reported the amount of tax which is due to be imposed. Also the company has included customs service fee and payments to sub-contractors under customs tax, and cannot provide separate information for the customs tax alone.
- The government reported receipts of MNT 50,105,000 from “Tavan tolgoi” LLC; however, the company has not reported at all. The difference was not resolved since the company has not provided with detailed information to prove the government figure.
- “Mongol gazar” LLC didno initially submit the template to the EITI; during our reconciliation, further detailed information was provided after meeting with the company management. Per this detailed information, the company show customs paid amount of MNT 33,366,000 which is different from the MCO information by MNT 20,474,000, and it remains as an unresolved difference.
- “Ten khun” LLC has not provided detailed information to support amounts reported as CIT paid, while the government has confirmed its figure with detailed information. Therefore, the amount MNT 3,248 remains still unresolved. Also, real estate tax amount of MNT 3,480,000 of the company remains unresolved even after adjustments based on the detailed information of the two parties.

6.3 Fees

The unresolved difference in respect of fees results mostly from fee for exploitation of mineral resources (“Royalty fee”), licence fee for exploitation and exploration of mineral resources, land rent fee, fee for water use, fee for recruiting foreign experts and workers and fee for use of mineral resources of widespread deposit. Companies with material differences are shown below:

Companies	Unresolved differences MNT 000
<u>Company payments higher (net) than government receipts</u>	
“Ten khun” LLC	(34,440)
“Mongol gazar” LLC	(17,152)
“Boroo gold” LLC	(16,972)
“Tsairt mineral” LLC	(10,492)
Other payments lower than MNT3.250 thousand	(5,796)
Total	(84,852)
<u>Company payments lower than government receipts</u>	
“Baganuur” JSC	4,866
“Shivee Ovoo” LLC	2,556
Other payments lower than MNT400 thousand	476
Total	7,898

Main reasons in respect of fee for exploitation of mineral resources (“Royalty fee”) are as follow:

- The “Mongol gazar” LLC has reported MNT91,385,000 in its detailed information, the government has reported MNT71,752,000 in its detailed information, the difference of MNT19,633,000 remained unsolved.

Main reasons in respect of land rent fee and fees for water use are as follow:

- The government has not included in its reporting the payments made from the companies to local governments operating near the locations of the mining areas of the companies. In order to clarify these amounts we approached the respective local tax authorities and made any adjustments necessary. However, the amounts paid by “Tsairt mineral” LLC, “Erel” LLC and “Ten Khun” LLC remain unresolved since these amounts could not be confirmed.

Main reasons in respect of fee for recruiting foreign experts and workers are as follow

- “Ten Khun” LLC has reported per its detailed information MNT 121,000,000 as paid, the government has reported MNT 92,520,000 as received in its detailed information. We have made adjustments based on the both parties’ detailed information; however, MNT 28,480,000 remains unresolved.

6.4 Charges and service charges

The unresolved difference in respect of charge and charges are resulted mostly from stamp and other charge for state registration paid to state and local administration in accordance with relevant law, service charges paid to state and local administration in accordance with relevant law and the custom service fee. Companies with material differences are shown below:

Companies	Unresolved differences MNT 000
<u>Company payments higher (net) than government receipts</u>	
“Chinkhua MAK nariin sukhait” LLC	(120,361)
“Ivanhoe mines mongolia” Ltd	(112,482)
“Mongolyn alt MAK” LLC	(43,213)
“Boroo Gold” LLC	(21,613)
“Jump” LLC	(16,590)
“Zuriin bulan” LLC	(10,900)
Other payments lower than MNT 6.000 thousand	(33,326)
Total	(358,486)
<u>Company payments lower than government receipts</u>	
“Bold tumur eruu gol” LLC	1,267
“Mongol gazar” LLC	429
Total	1,696

Main reasons in respect of stamp and other charge for state registration paid to state and local administration in accordance with relevant law are as follow:

- It was due to lack of detailed guidance in methodology of filling-up the Template No.1 on what types of charges to be maintained or included, and not clear information flow to consolidate to the government reporting.
- It is not reported in the government reporting due to not obvious seeing of the figures in the financial statements since the companies have reported charges and service charges as per their own classifications.
- In order to adjust the companies figures we have sent the confirmations letters to the local government organisations, however, the local government officials are not showing importance to reply to our letters, and the received replies are not satisfactory.

Main reasons in respect of custom service fee are as follow:

- It was difficult for us to resolve the difference since the companies have reported VAT amounts paid to Customs Office, customs service charges at their lump-sum amounts.

6.5 Dividends on state and local property

There is no unresolved difference remained after making the respective adjustments based on the detailed information receiving after sending an official letter to clarify the initial difference occurred in respect of dividends on state and local property.

6.6 Other payments to recipient government

In order to clarify the difference occurred per initial reconciliation, we have sent an official letter to "Petro China dachin tamsag" LLC and to government. We have resolved fully the unresolved difference based on the detailed information from the company and the government.

6.7 Donations to governmental organisations

Companies	Unresolved differences
	MNT 000
<i>Company payments higher (net) than government receipts</i>	
"Mongolrustsvetmet" LLC	(38,390)
"Gobi coal and energy" LLC	(12,350)
"Shariin gol" JSC	(11,096)
"Tsairt mineral" LLC	(4,420)
"Dazan Trade" LLC	(2,000)
"Bold tumur eruu gol" LLC	(1,300)
"Tavan tolgoi" LLC	(500)
Total	(70,056)
<i>Company payments lower than government receipts</i>	
Total	-

The initial aggregated difference of the donations MNT9,316,313 thousand, which is 20% of the total unresolved differences.

It is directly related to non existence of certain government authority where the donations are consolidated, controlled on its spending. In order to clarify the difference relating to the donations, we have sent an official letter at the start of our reconciliation work to governor's offices of the local governments. We have received detailed information from the companies, and noticed also that the companies have donated also to organisations. Because, of this case, we again sent an official letters to all the respective organisations to check the figures. It was difficult to check the figures since there were communication difficulties, and some officials were too sluggish to provide us the necessary information. Nevertheless, we could adjust several the differences based on replies after following-up many times. Also our team member has visited to Khentii and Darkhan-Uul aimags and has performed physical field work. It was big efficient influence to our adjustment work.

However, there are still unresolved amounts remain due to the following-reasons:

- The "Mongolrustsetment" LLC has donated most of its donations to Bayanjargalan, Berkh, Bor-Undur of Khentii aimag and its governor office since its mining areas are located in Bor-Undur soum of Khentii aimag. Also the company has donated to some organisations of the capital. We have sent letters to these soums, aimag and organisations, however, no replies, and the differences remain unresolved.

- “Gobi coal energy” LLC’ initial difference was due to reporting of MNT189,788,000 under supporting to state organisations in the Template No.1. While reviewing the detailed information of the company, MNT17,866,000 was donated to non-government organisations and respective adjustment was made by deducting this amount. Most donations were to local government of Bayankhongor and Govi-Altai aimags since the company’s mining areas is located at the territories of these aimags. We have received detailed information and explanations from governors of these two aimags. And adjustment of MNT159,572 thousand per government reporting was made and MNT12,350 thousand remain unresolved. This unresolved difference remains due to non-confirming information from the government side even if the company confirms.
- “Shariin gol” JSC has reported donation to Shariin Gol soum of Darkhan-Uul aimag amounting to MNT9,996 thousand for building the religious monument. We have sent a letter to governor of the Shariin Gol soum to confirm the amount. The reply was: “Our governor has changed, so it is not possible to provide the explanation.” And the soum administration has sent us a copy of bank statements of year 2008. Also, we have sent a letter to confirm donation amount of MNT550 thousand which was reported as donations to Fire Department of Shariin Gol soum and Sport Committee of Darkhan-Uul aimag. However, there was no reply, so the differences remain unresolved.

To summarise the reasons for unresolved differences:

- No replies to the official letter sent to clarify the donation amount /several times followed-up/.
- The official letters are replied noting that donations are not received at all.
- The governors of the aimag, soums are changed, replaced and provided with explanations of “do know the 2008 events”.
- Communications difficulties to contact with several aimag, soums and local governments.

6.8 Expenditure for environmental protection

Companies	Unresolved differences MNT 000
<i>Company payments higher (net) than government receipts</i>	
"Boroo gold" LLC	(1,109,033)
"Mongolrustsvetmet" LLC	(855,062)
"Erdenet Mining Corporation" LLC	(131,000)
"Bold tumur eruu gol" LLC	(110,280)
Other payments lower than MNT14.330 thousand	(14,354)
Total	(2,219,730)
<i>Company payments lower than government receipts</i>	
"Tsairt mineral" LLC	1,450,865
"Mongol gazar" LLC	99,441
"Tal bulag trade" LLC	30
Total	1,550,336

The expenditures of environmental protection section of the EITI template consists from two parts namely 50% contribution in kind to environmental protection special account and expenditure incurred in relation to environmental protection. The reasons relating to the section are:

In order to clarify the difference occurred relating to 50% contribution in kind to environmental protection special account we have sent an official letters to MOET and the companies and have received their detailed information's and adjusted the initial differences. However, some differences are still remaining unresolved due to non-reporting of the one of parties. We have sent our official letters again still have not received any replies as far now.

It was really impractical to resolve the differences since the information of expenditures of environmental protection were taken from the different sources. Another word, it is directly related to non-possibility of the confirmation of the government figures. The mining companies submit their "Completion report of Environment plan" annually and our team has worked a one whole day at the MOET to review each report of each mining companies covered under Mongolia Third Reconciliation and Report 2008 and have noticed that the reports are not in consistence of their financial statements, and the reports mostly prepared by the geologist of the companies. Therefore, the differences were difficult to be resolved.

In order to clarify difference relating to 50% contribution in kind to environmental protection the adjustment was made after receiving the detailed information. Several differences are difficult to be resolved since the information sources for the expenditures of environmental protection are different. It is directly related to not enough confirmation documents to review the figures of the government template. The mining companies submit their "Completion report of Environment plan" annually and our team has worked a one whole day at the MOET to review each report of each mining companies covered under Mongolia Third Reconciliation and Report 2008 and have noticed that the reports are not in consistence of their financial statements, and the reports mostly prepared by the geologist of the companies. Therefore, the differences were difficult to be resolved.

7. PAYMENTS TO LOCAL GOVERNMENT (aimags and soums)

7.1 Reason for occurring differences on monetary donations

The value of donations initially reported by the companies exceeded the amounts initially reported as received by the government by MNT 3.6 billion. Significant initial difference arose for several reasons:

- i. non-consolidation of the donations amount from soums, aimags, local government and other units.
- ii. lack of knowledge of proper completion of EITI Template No.1
- iii. tardiness in completion of the template
- iv. companies reported all types of donations and support, including those given to individuals, non-government organisations, voluntary funds, commissions and business economic entities, not understanding the real meaning of phrase that says: "donations given to entities of state and state-owned organisations belonging to state and local government".

In order to eliminate the difference, we sent official letters to the companies to provide us with detailed information, and have made adjustments on the companies' reporting by deducting donation amounts given to individuals and non-state organisations in the light of the details received.

In addition, we sent official letters to local governments to confirm each donation given to government, but have received only few replies as far now. We could not send official letters to several soums due to less developed communication system - fax, internet, telephone etc – and were only able in these cases to communicate by telephone, and wait for the reply by post.

However, we have also received explanations showing a slow approach, complaining about the limited time, changes in the governor's office and current staff having no idea about events of year 2008. Due to all these explanations we still cannot still eliminate the differences.

7.2 Field trip to some soums and aimags

We organised field trip to Selenge and Darkhan-Uul aimags in order to review and confirm the donations from some companies to the aimags, soums, local organisations, and funds disbursed by the companies in sustainable development and community relations.

#	Location	Per company	Per aimag, soum and local	Difference	Notes
A	"Boro Gold" LLC	1,414,346,808	1,404,887,203	9,459,605	
1	Aimag development fund, Selenge	348,247,903	348,247,900	3	
2	Soum development fund, Mandal	329,000,000	329,000,000		
3	Tunkhel Village, Mandal soum,	14,546,000	14,546,000	-	
4	Police department, Mandal soum,	11,660,000	11,660,000		
	Soum Development Fund of	355,233,704	355,206,000	27,704	Foreign exchange
5	Soum development fund, Bayangol	321,887,821	321,887,821	-	
6	Music to Bayangol soum, Selenge	3,349,720		-3,349,720	The soum has not
7	Aimag Hospital, Darkhan-Uul aimag	6,082,178	-	-6,082,178	An official letter was
8	Children Care Centre, Darkhan-Uul	24,339,481	-	-24,339,481	An official letter was
B	"Bold tumur eruu gol" LLC	138,885,300	128,748,800	-10,136,500	
1	Soum development fund, Eruu	100,000,000	100,000,000	-	
2	Tuition fees of students, Eruu soum,	7,500,000	7,500,000	-	
3	Soum development fund, Shaamar	12,229,000	12,229,000	-	
4	Tree planting, Dulaankhaan Village	-	5,000,000	5,000,000.	The amount was
5	Tuition fees of students, Shaamar	2,572,000	-	-2,572,000	The company has
6	Gifts for elders, Shaamar	680,000	-	-680,000	The soum has not

#	Location	Per company	Per aimag, soum and local	Difference	Notes
7	Design fee of hospital building,	4,000,000	-	-4,000,000	The company has
8	Trip expense for elders to Utai	3,300,000.	-	-3,300,000.00	The company has
9	An archery contest, Dulaankhaan	1,640,000	-	-1,640,000	The soum has no
10	Donation to Shaamar soum, Selenge	1,000,000	1,000,000	-	
11	Festival of Dulaankhaan Village,	1,000,000	-	-1,000,000	The soum has no
12	Governor's Office, Dulaankhaan	600,000	-	-600,000	The soum has no
13	Religious worship ritual activity,	945,500	-	-945,500	The soum has no
14	Sport and physical education	1,000,000	1,000,000	-	
15	Donation to elders of Eruu soum,	399,000	-	-399,000	The company did not
16	Soum hospital, Bugant Village, Eruu	1,000,000	1,000,000	-	
17	Soum school, Bugant Village, Eruu	1,019,800	1,019,800	-	
C	"Khunanjinlen" LLC	4,750,000	4,500,000	-250,000	
1	Eruu soum, Selenge aimag	4,500,000	4,500,000	-	
2	Soum hospital, Eruu soum, Selenge	250,000	-	-250,000	The soum hospital
D	"Zuriin bulan" LLC	1,250,000	-	-1,250,000	
1	Eruu soum, Selenge aimag	1,000,000	-	1,000,000	The soum hospital
2	Soum hospital, Eruu soum, Selenge	250,000	-	-250,000	The soum hospital
E	"Jump" LLC	200,000	200,000	-	
1	Eruu soum, Selenge aimag	200,000	200,000	-	
F	"Erdes holding" LLC	1,400,000	500,000	-900,000	
1	Police department, Selenge aimag	500,000	500,000	-	
2	Dulaankhaan Village, Shaamar	900,000	-	-900,000	The village does not
G	"Shariin gol" JSC	25,500,000	25,000,000	-500,000	
1	Sport and physical education	500,000	-	-500,000	There was no
2	Lkha TV, Darkhan-Uul aimag	25,000,000	25,000,000	-	Loan was paid.
H	"Erel" LLC	866,500	866,500	-	
1	MRAM, Darkhan-Uul aimag	866,500	866,500	-	
	Total amount	1,587,198,608	1,564,702,503	22,496,105	

The review of the field trip covered 35 entities, 6 soums and villages of 2 aimags of 8 companies. The reports of donations received by covered aimags, soums and entities were under-reported by MNT 22.5 billion.

The local governments of Bayangol, Mandal and Eruu soums of Selenge aimag used and performed considerable activities by donations and fund given from the companies.

The Village Development Fund, Dulaankhaan and Shaamar soums of Selenge aimag, disbursements recordings are not satisfactory and the expenditures are not eligible. For example, Dulaankhaan village has issued information about loans amounting to MNT8.6 million, with 1% interest which were provided to citizens from the Village Development Fund. However, it was unclear that how the loans were recorded in accounting and whether the interest on loan was paid by the borrowers.

Also, we observed that an old vehicle was purchased at high cost from the same fund. (STANA mark, MNT 7.5 million). However, the vehicle is currently broken and used.

7.3 Common weaknesses

The following common weaknesses were noticed during our work:

1. Companies donate their support and make donations in cash and in kind; however, the recipient parties (aimags, soums and organisations) do not include it in their accounting fully, but only record cash received through bank accounts. The aimag does not prepare a consolidated statement, and there is poor or no control over the donated amounts and items. For example, “Bold tumnr Eruu gol” LLC has donated in total MNT 5,264.5 thousand to Dulaankhaan Village and Eruu soum of Selenge aimag. And it was not recorded in the aimag accounts. Also musical instruments costing MNT 3,349.7 thousand donated to Bayangol soum, Selenge was not recorded. The Governor of Shariin Gol soum of Darkhan-Uul aimag issued an official letter informing us that it is not possible to provide the amount of donations received for the year 2008 since the officials of the office were changed.
2. It is also related to movements of the accountants and finance personnel of the mining companies. For example, as per “Boroo Gold” LLC reporting the company has reported donations totalling to MNT 30,421.6 thousand that was donated to Hospital of Darkhan-Uul aimag and Children Care Centre. When we checked about this donation during our field work, the Hospital has said that there was no donation from the said company in year 2008, and the donation given to Children Care Centre was not for the centre, rather it was for a marathon contest, which was organised during children’s day. The Dulaankhaan Village Development Fund accounted for an amount of MNT 5.0 million as a tree planting donation from “Bold Tumur Eruu Gol” LLC, which was not mentioned in the company’s reporting.

8. ISSUES

8.1 Delays in preparation of the template

There were delays in providing information in connection with MEITI, both in terms of the initial data and also in terms of providing additional details to assist with the reconciliation.

By way of examples:

An accountant, Ulzijargal A, of "Ten khun" LLC did not prepare the report for year 2008 to MEITIS. At the commencement of our work, we sent our official letters to the companies on 2010-03-25. Although this accountant was asked many times on the phones but did not send the template, reasoning "Submission of the template is optional and there is no sanction to be taken if we do not submit the report to EITI". Also the accountants of "Tavan tolgoi" LLC and "Cold Gold Mongolia" LLC were slow to provide their detailed information. The general accountant of "Gatsuurt" LLC has changed, the general accountant of "Petro China dachin tamsag" LLC was sick, and reasoned that she was employed after year 2008 therefore, does not know about events of the year, and the general accountant of "Monopoliment" LLC was on a business trip abroad and the company assistant accountants were slow; however, the details requested were later provided.

The companies which were pro-active and cooperative with our reconciliation work by providing their detailed information within the timescales requested were as follows:

- "Mongolrustsvetmet" LLC,
- "Mongolyn Alt MAK" LLC
- "Shijir alt" LLC
- "Bold tumur Eruu gol" LLC
- "Chinkhua MAK nariin sukhait" LLC
- "Dazan Trade" LLC
- "Tethys mining" LLC and
- "Gobi coal and energy" LLC.

8.2 Expenditure incurred in relation to environmental protection

In order to adjust the costs disbursed for protection of the environment we have tried to match the company's version of the detailed information with their "Report, planning indications of mining, environment information"/Form -3/ submitted to the Environmental Resources Department figures, however we could not achieve agreement between these reports. The "Report, planning indications of mining, environment information" is prepared by the companies' geologists, mining engineers and technical personnel and submitted to the MOET and the figures of this report are not based on actual expenses per financial statements, rather on non-accounting estimates, which are not supported by primary financial documents. Under these circumstances, it has not proved possible to resolve the differences.

8.3 Licence fee for exploitation and exploration of mineral resources

The licence fee for exploitation and exploration of mineral resources is paid in US dollars. The template instructions require that Covered Entities provide this information in US dollars. Companies have nevertheless incorrectly completed Template I in tugrugs (converted from dollars), while the government has completed Template II in US dollars, as the instructions require. So, a difference arises.

8.4 Incomplete government data

Most donation amounts are not complete in the government report. It is due to poor information submission procedures to the MTA with regards taxes, fees, and charges paid to local governments. Also there is no efficient structure to cover all donation amounts into the government reporting.

If the organisations financed from the state budget fund receive monetary and non-monetary donations, then they should record them as revenue in their accounting, and include them in their financial statements so that the amounts are consolidated for state budget reporting.

This will then permit the MOF to consolidate amounts for donations correctly.

8.5 Charges and service charges

The amounts paid are not completely reported by the government. Various types of charges and service charges are paid to different places and the nature of these charges – a large number of individually small lump-sum amounts - makes reconciliation difficult. There is no proper procedure within government for consolidation of these charges and reporting by government is very limited. .

The mining companies pay the following charges and service charges through the following ways:

- Weight confirmation charge to Professional Inspection Department,
- Transport purification charge, DC permission document to Local Government Budget Fund and Transport Service Department,
- Visa sheet, service charge, residential permission charge, description fee and employment invitation charge to the LWSA and Local Government Budget Fund,
- Licence service fee, registration fee, report service charge, geology information charge and report reviewing charge to the MRAM,
- Special permission charge to the MOET,
- Identification charge, inspection charge to Traffic Police Department,
- Stamp charge to Court Decision Action Department,
- Service charge to Water Economizing Centre,
- Issuance charge of assurance to State Social Insurance Department,
- Sample analysis charge to Sampling Department,
- Certificate price to Local Government,
- Detailed measurement charge, standard service charge to Standard, Measurement Centre and
- Permission charge to the MTA.

8.6 Accounting personnel's skills and ability

For almost all companies, the template figures and the detailed information subsequently provided do not match with each other. It is directly related to lack of skills, knowledge of the accountants, and the companies' often casual approach to the preparation of the template.

8.7 Difficulty in communication

It was difficult to confirm donations amount from the government side since there is no body that consolidate all information about the donations of state and state-owned organisations and government organisations, some of them are located in remote areas, the communication system is hardly developed. And the officials do not know about event of year 2008, the governor is changed and others.

9. RECOMMENDATIONS

We are aware that the MEITI Working Group has set up work-groups to consider suitable EITI legislation and to review the data collection templates, and that accordingly many of the matters we have raised in this section may already be under active consideration. We note also that the Working Group has held workshops and seminars in Ulaanbaatar as part of the awareness and education process for EITI.

We nevertheless have recommendations arising from our work which we contribute to the process of improving Mongolia's EITI implementation.

9.1 The EITI process and its execution should be formalised

a. The EITI objectives and process for Mongolia should be codified in legislation

The elements and principles of the Mongolia EITI would normally be set out in a law approved by the parliament, while more detailed provisions would be determined by regulation by the designated Ministry. Consideration should be given to sanctions for non compliance

b. A timetable should be established and published .

This should set out, for example, the dates for

- appointment of the Independent Reconciler
- return of templates by Covered Entities
- execution of reconciliation work
- reporting findings of the Reconciliation
- publication of the report

c. There should be improved definitions for each revenue stream included in EITI

The scope of each revenue stream and the items to be included in it should be defined. This will help to avoid confusion over the correct completion of the templates.

d. Company EITI submissions should be subject to audit confirmation

Information submitted by companies under EITI requirements should be accompanied by a certificate from the company's auditor that the information is based on audited accounts to international standard.

Consideration could be given to exempting from this process companies whose payments fall below a minimum threshold, since it can be burdensome for small organisations, whose payments may not be material to overall EITI revenues.

e. Government processes for collection and reporting of information for EITI should be audited periodically

There is currently no provision for government processes to be audited as envisaged under EITI rules. A periodic review would assist in improving these processes and making them more robust (see section 8.5 on difficulties experienced during the 2008 reconciliation).

9.2 The MEITI Working Group should review the revenues and payments to be included in EITI reporting

This review should seek to ensure that all material revenues and payments from oil, gas and mining companies are included.

We recommend that, amongst others, the following revenues/payments are considered during the review:

a. Sub contractors

Sub-contractors are used by some mining companies in Mongolia to carry out activities which are carried out by other mining companies themselves; for example, drilling, earthmoving and restoration-these are directly connected to extractive activity. In companies where they are used, sub contractors will make payments to government which would be included in EITI if the operation were carried out by the company itself but which are omitted under the existing selection criteria used by the MEITI Working Group.

We recommend that the Working Group should consider the inclusion of sub contractors to mining companies in EITI, and require them to make EITI returns if applicable.

b. Donations

The donations reported by companies did not represent, in many cases, payments to government; rather, they were costs which the company incurred voluntarily and has designated as being for the benefit of the community (e.g. construction of a road).

We recommend that the Working Group should

- i. review the definition of items to be included under donations for EITI and require companies to exclude, or to show under the voluntary return, all items which are not paid to government; and
- ii. consider whether a minimum value is appropriate for reporting donations

c. Charges and service charges

The total receipts reported for these charges by government in 2008 amounted to MNT 2.5 billion, out of total adjusted receipts of MNT 685 billion. These charges represent only 0.36% of total government receipts captured under the current EITI exercise and the Working Group should consider whether they should be included as a material receipts from the extractive sector.

d. Costs disbursed for protection of the environment

These costs are reported by companies but are not paid to government bodies, rather they are paid to local contractors for various works. This means that any reconciliation would be between

- c. costs declared by the company to MOF and the EITI reconciler; and
- d. figures which the government declares based upon returns the company itself has made, and not as actual receipts to the government

This is not an independent reconciliation. We recommend that such costs are included as voluntary disclosures in Section 2 of the EITI template rather than as costs which require reconciliation. Two thirds of the unresolved discrepancies relate to these costs.

We noted the report submitted to MOET notifying MOET of expenditure incurred is prepared by technical personnel, apparently without reference to company financial staff. The costs reported, therefore, do not appear to be substantiated by reference to expenditure records within the company. This requires further investigation by MOET, since these reports are the key control over environmental expenditure which the company is required to carry out.

9.3 The MEITI Working Group should determine an acceptable margin of error for any discrepancy between payments reported by companies and revenues reported by government

The Working Group should provide guidance on a level of materiality which should be applied to the investigation of discrepancies. This could lead to improved value for money, by directing effort in a more targeted fashion without harming the overall conclusions reached from the exercise.

By way of example, it is interesting to analyse the data provided on donations. Within the templates for 2008, 256 separate donations were initially reported by companies with a financial value of MNT 11.5 billion. Within these items, 38 items had a combined financial value of MNT 11.0 billion. None of these 38 items was individually less than MNT 10 million. In other words, 95% of the financial value of reported donations derived from 38 items in excess of MNT 10 million.

9.4 Unresolved discrepancies should be examined

Despite extensive efforts, it was not possible to obtain information and explanations which enabled all the discrepancies to be resolved, although the overall discrepancies were reduced to 0.16% of reported government receipts. The Working Group should consider how these should be treated.

9.5 Communication to Covered Entities and training of their staff requires improvement

The level of understanding of what information should be provided when completing the templates is generally insufficient amongst staff at companies, government departments and agencies and at local government level.

This results in discrepancies being created through poor completion of the templates, and difficulties in the process of reconciliation.

We recommend that, as part of improving awareness of EITI, and in order to improve the processes surrounding the reconciliation of the revenues and payments reported under EITI, a series of workshops should be held in suitable geographical locations, supported by suitable EITI literature, to increase awareness of EITI reporting requirements and to encourage improvement in the processes used to provide information.

9.6 Systems and supporting information at a number of government agencies require improvement

a. Mongolian Tax Authority

A number of adjustments were made to the initial information provided by the MTA from which it is evident that this initial information was not correctly prepared. Much discussion was required with the MTA in order to obtain substantiated information about receipts; and having obtained such information, which changed the value of the reported receipt, the MTA was unable to explain where the original figure came from.

By way of example, the MTA reported receipts of MNT 7.35 billion for royalties from one company, which was MNT 3.38 billion lower than was reported by the company. The MTA eventually provided detailed reports showing receipts of MNT 10.73 billion, which was the figure declared by the company. The MTA has been unable to justify its original submission or the reason for the delay in producing the revised information.

b. Aimags and soums

Obtaining information from officials in the aimags and soums proved difficult as in previous years, in particular concerning donations, where the figure initially reported of MNT 1.0 billion was increased by MNT 4.9 billion as a result of the reconciliation.

There is a need to examine the reporting systems and processes for recording and controlling expenditure at aimag and soum level so that government can be sure that expenditure is properly disbursed and controlled within budgetary levels.

9.7 Other recommendations

a. The audited accounts of companies should include a statement of cash flows reported under EITI

Such a statement would be prepared on a cash basis, reconciled where applicable to amounts included in the financial statements, and included in the audit opinion given by the company's independent auditor.

b. Consideration should be given to treating mining and oil companies separately within MEITI where appropriate

There are commonalities between the regulation of the mining and oil sectors. However, there are also differences, both in certain areas of regulation and also in the contractual environment.

The Working Group should review these and make any necessary changes for future reconciliation exercises.

c. Communication methods

Communications between local offices around Mongolia and central Ministry offices is hampered by lack of any reliable form of electronic communication, for example an email system. This makes transfer of information slow and cumbersome, as well as introducing the potential for error and omission due to the need to transfer data through the post. Consideration should be given to introducing an email system, and in the medium term, shared electronic databases to improve working efficiency.

10. APPENDICES

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Appendix A Adjustments resulting from the reconciliation exercise – by financial flow

The aggregated flows submitted on the initial templates were discussed in section 5.1 of the Report.

This Appendix describes the adjustments made to the initial templates, according to the type of financial flow as set out in the EITI Mongolia templates.

1. Taxes

The differences in the taxes section of the initial templates, together with the adjustments made to figures provided by Government Entities and companies as a result of the reconciliation exercise, are as follows:

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
1.1 Corporate income tax	19,644,800	528,280	20,168,943	4,137
1.2 Customs tax	(20,076,011)	-	(20,135,838)	59,827
1.3 Windfall tax	(9,460,508)	32,021	(9,428,487)	-
1.4 Real estate tax	(203,487)	225,192	18,225	3,480
1.5 Excise on imported fuel and oil materials	807,210	-	807,210	(1)
1.6 Tax on petrol and diesel fuel	(73,801)	-	(73,801)	-
1.7 Tax on automobiles and self moving vehicles	(13,330)	36,152	17,477	5,345
1.8 Other taxes in monetary value (1)	(6,729,772)	52	(6,729,720)	-
1.9 Other taxes in monetary value (2)	(72,672)	138	(72,534)	-
Total	(16,177,571)	821,835	(15,428,524)	72,788

1.1 Corporate income tax

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Corporate income tax	19,644,800	528,280	20,168,943	4,137

The adjustments to the initial net differences for this item are as follows:

- “Erdenet Mining Corporation” LLC has not reported completely the offset deduction amounts against other taxes in its initial template.
- The Mongolian Tax Authority has not reported tax amount deducted from loan interest income of “Boroo Gold” LLC.
- “Tsairt mineral” LLC has reported tax amounts deducted from dividend and foreign transfer income under other taxes section.
- The government has under reported paid amount of MNT1,228.8 thousand, which “Ankhai international” LLC has paid on 31 October,2008.
- “Uuls zaamar” LLC has not maintained any payment of corporate income tax amount in its initial template, however, has provided and reported the payment as per its detailed information.
- “Erel” LLC has paid its unpaid outstanding balance for CIT of year 2007 in year 2008; however it was not reported in the template initially.

- “Adamas mining” LLC has not maintained any payment of corporate income tax amount in its initial template; however, it was approved by its detailed information.
- The Mongolian Tax Authority has not reported completely received payments of “Ivanhoe mines mongolia” Ltd and it was approved by the detailed information received from the MTA and the company has reported at accrual basis not at cash basis.
- “Chinkhua MAK nariin sukhait” LLC” has reported its dividend tax and return of VAT under other taxes.

1.2 Customs tax

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Customs tax	(20,076,011)	-	(20,135,838)	59,827

The adjustments to the initial net differences for this item are as follows:

- We have worked to reconcile the amounts from the reporting of the MCO and its detailed information into the companies information, however, the companies has reported their paid VAT, Excise on imported fuel and oil materials, Tax on petrol and diesel fuel and Customs tax as a whole. Therefore, we have made the adjustments based on the reporting of the MCO.

1.3 Windfall tax

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Windfall tax	(9,460,508)	32,021	(9,428,487)	-

The adjustments to the initial net differences for this item are as follows:

- The MTA has not reported paid amount, which “Erdenet Mining Corporation” LLC has paid on 31 December, 2008.
- While checking “Gatsuurt” LLC’s detailed information and its monthly report for the windfall tax we have noticed that, the company has reported its imposed amount not by it paid amount.
- “Monpolimet” LLC has submitted its template to Mongolia EITIS, during our audit it was submitted and we have made the respective adjustment.
- “Uurt gold” LLC has reported the setting of this tax against to overpayment of the other taxes.

1.4 Real estate tax

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Real estate tax	(203,487)	225,192	18,225	3,480

The adjustments to the initial net differences for this item are as follows:

- “Tavan tolgoi” LLC, “Mongolyn alt MAK” LLC, “Shijir alt” LLC, “Chinkhua MAK nariin sukhait” LLC and “Shanlun” LLC companies have reported this tax as overstated.
- The MTA has not reported the received amount of payment of “Boroo Gold” LLC, while the company has shown it on this detailed information.

1.5 Excise on imported fuel and oil materials

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Excise on imported fuel and oil materials	807,210	-	807,210	(1)

The adjustments to the initial net differences for this item are as follows:

- “Erdenet Mining Corporation”, “Mongolrustvetmet” LLC, “Erel” LLC, “Jump” LLC and “Berleg mining” LLC companies have reported their excise on imported fuel and oil materials under customs taxes.

1.6 Tax on petrol and diesel, fuel

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Tax on petrol and diesel, fuel	(73,801)	-	(73,801)	-

The adjustments to the initial net differences for this item are as follows:

- “Erdenet Mining Corporation”, “Mongolrustvetmet” LLC and “Petro China dachin tamsag” LLC companies have reported their tax on petrol and diesel, fuel under customs tax.

1.7 Tax on automobiles and self moving vehicles

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Tax on automobiles and self moving vehicles	(13,330)	36,152	17,477	5,345

The adjustments to the initial net differences for this item are as follows:

- “Shijir alt” LLC and “Ivanhoe mines mongolia” Ltd have under reported their tax on automobiles and self moving vehicles at their reporting.
- The MTA has misreported paid amount of “Erel” LLC in Darkhan Uul aimag.

1.8 Other taxes in monetary value (1)

Section	Initial Differences (net)	Adjustments made		Unresolved Differences (net)
	Government Entities	Companies		
	MNT 000	MNT 000	MNT 000	MNT 000
Other taxes in monetary value (1)	(6,729,772)	52	(6,729,720)	-

The adjustments to the initial net differences for this item are as follows:

- “Ivanhoe mines mongolia” Ltd and “Petro China dachin tamsag” LLC have reported not required taxes amounts
- initially; therefore, we have made the adjustment deducting the amounts.
- “Chinkhua MAK” LLC has reported tax amount, which deducted from the dividend distributed to its own Chinese shareholders and paid to tax institutions.

1.9 Other taxes in monetary value (2)

Section	Initial Differences (net)	Adjustments made		Unresolved Differences (net)
	Government Entities	Companies		
	MNT 000	MNT 000	MNT 000	MNT 000
Other taxes in monetary value (2)	(72,672)	138	(72,534)	-

The adjustments to the initial net differences for this item are as follows:

- “Gobi coal and energy” LLC has reported initially its CIT tax amount under this section.

2. Fees

The differences in the fees section of the initial templates, together with the adjustments made to figures provided by Government Entities and companies as a result of the reconciliation exercise, are as follows:

Section	Initial Differences (net)	Adjustments made		Unresolved Differences (net)
	Government Entities	Companies		
	MNT 000	MNT 000	MNT 000	MNT 000
2.1 Fee for exploitation of mineral resources (“Royalty fee”)	12,063,450	(14,718,202)	(2,636,553)	(18,200)
2.2 Licence fee for exploitation and exploration of mineral resources	(5,039,899)	227,219	(4,815,382)	2,702
2.3 Licence fee for exploitation and exploration of mineral resources /in USD/	5,792	6,800	12,598	(6)
2.4 Reimbursement of deposit, exploration of which is carried out by the budget fund	2,373,021	476	2,373,496	-
2.5 Land fee	(9,569,969)	889,486	(8,674,701)	(5,782)
2.6 Fee for water use	(239,229)	297,350	67,366	(9,246)
2.7 Fee for forestry use and firewood	(41,975)	36,656	(5,169)	(150)

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
2.8 Fee for recruiting foreign experts and workers	(36,960)	551,936	544,402	(29,426)
2.9 Fee for use of mineral resources of widespread deposit	(1,031,109)	1,030,269	(840)	-
2.10 Other	(54,333)	-	(37,485)	(16,848)
Total	(1,571,212)	(11,678,010)	(13,172,267)	(76,955)

2.1 Fee for exploitation of mineral resources (“Royalty fee”)

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Fee for exploitation of mineral resources (“Royalty fee”)	12,063,450	(14,718,202)	(2,636,553)	(18,200)

The adjustments to the initial net differences for this item are as follows:

- The MTA has reported including fee paid in December, 2007 by “Bold tumur eruu gol” LLC. On the other hand, the MTA have not included paid fees of this company and also of “Tsairt minerals” LLC in December, 2008.
- The MTA has not reported initially fee paid from “Boroo Gold” LLC; however, it was adjusted and reported after checking the detailed information received from the MTA.
- “Tavan tolgoi” LLC has reported initially not by paid amount rather the expensed amount.
- The government has reported doubly the payment of “Mongolyn alt MAK” LLC on its detailed information.

2.2 Licence fee for exploitation and exploration of mineral resources

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Licence fee for exploitation and exploration of mineral resources	(5,039,899)	227,219	(4,815,382)	2,702

- The MRAM has reported this fee in USD, while most companies reported it in MNT.

2.3 Licence fee for exploitation and exploration of mineral resources /in USD/

Section	Initial Differences (net) USD 000	Adjustments made		Unresolved Differences (net) USD 000
		Government Entities USD 000	Companies USD 000	
Licence fee for exploitation and exploration of mineral resources /in USD/	5,792	6,800	12,598	(6)

- The MRAM has reported this fee in USD, while most companies reported it in MNT.

2.4 Reimbursement of deposit, exploration of which is carried out by the budget fund

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Reimbursement of deposit, exploration of which is carried out by the budget fund	2,373,021	476	2,373,496	-

- "Engui tal" LLC has not submitted its template initially to Mongolia EITIS, during our audit we have required the template and made the respective adjustments.

2.5 Land rent

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Land rent	(9,569,969)	889,486	(8,674,701)	(5,782)

- "Erdenet Mining Corporation" LLC provides Orkhon aimag with water service; therefore, its land rent fee is set-off against fee for water use.
- The MTA has not reported the following companies land rent fees, which were paid to land units of aimag, capital, soum and district and tax institutions from the companies:

#	Company names	Recipient organisations
1	"Boro Gold" LLC	Bayangol and Mandal soums, Selenge aimag
2	"Mongolrustvetmet" LLC	City land department
3	"Baganuur" JSC	District land department, Baganuur district
4	"Uuls zaamar" LLC	Dornod aimag
5	"Mongolyn alt MAK" LLC	Gurvantes soum, Umnugovi aimag and City Land Department
6	"Ankhai International" LLC	Bayanjargalan soum, Tuv aimag
7	"AUM" LLC	Uyanga soum, Uvurkhangai aimag, City Land department
8	"Erdes holding" LLC	Khuder soum, Selenge aimag
9	"Jump" LLC	Dorniod aimag
10	"Shariin gol" JSC	Shariin gol soum, Darkhan Uul aimag
11	"Khan shijir" LLC	Bumbugur soum, Bayankhongor aimag
12	"Sonor trade" LLC	Bayangol soum, Selenge aimag
13	"Tun sin" LLC	Darkhan soum, Khentii aimag
14	"Talbulag trade" JSC	Bayan-Ovoo soum, Bayankhongor aimag
15	"Eltrana" LLC	Buren soum, Tuv aimag
16	"Erel" LLC	City land department, Tuv, Darkhan-Uul, Dornogobi aimags

To solve the above difference, we approached to the government organizations and adjusted based on the detailed information.

2.6 Fee for water use

Section	Initial Differences (net)	Adjustments made		Unresolved Differences (net)
		Government Entities	Companies	
	MNT 000	MNT 000	MNT 000	MNT 000
Fee for water use	(239,229)	297,350	67,366	(9,246)

- “Shijir alt” LLC, “Gatsuurt” JSC and “Khan shijir” LLC companies have reported its service charge fees paid to Water Economizing Centre under this type of fee.
- “Ten khun” LLC has not reported its paid amounts in its initial template and it was approved by its detailed information.
- “Shijir talst” LLC has over reported initially this amount in the template.
- The MTA has not reported the following companies land rent fees, which were paid to land units of aimag, capital, soum and district and tax institutions from the companies:

#	Company names	Recipient organisations
1	“Tsairt mineral” LLC	Sukhbaatar and Asgat soums, Sukhbaatar aimag
2	“Mongolrustvetmet” LLC	City land department
3	“Adamas mining” LLC	Dashinchilen soum, Bulgan aimag
4	“Zuriin bulan” LLC	Eruu soum, Selenge aimag and Khongor soum, Darkhan aimag
5	“Dazan trade” LLC	Tarialan soum, Uvs aimag
6	“Tethys mining” LLC	Bugat and Chandmani soums, Govi-Altai aimag and Murun
7	“Shin shin” LLC	Dashbalbar soum, Dornod aimag
8	“Jump” LLC	Dornod aimag
9	“Gobi coal and energy” LLC	Chandmani soum, Govi-Altai aimag and Shinejinst soum,
10	“Shariin gol” JSC	Shariin gol soum, Darkhan Uul aimag
11	“Erdes Holding” LLC	Khuder soum, Selenge aimag
12	“Sonor trade” LLC	Bayangol soum, Selenge aimag
13	“Tun sin” LLC	Darkhan soum Khentii aimag

2.7 Fee for forestry use and firewood

Section	Initial Differences (net)	Adjustments made		Unresolved Differences (net)
		Government Entities	Companies	
	MNT 000	MNT 000	MNT 000	MNT 000
Fee for forestry use and firewood	(41,975)	36,656	(5,169)	(150)

- The MTA has not reported “AUM” LLC’s paid fees in its initial template, we have checked and confirmed from the detailed information received from the MTA.
- “Khunanjinlen’ LLC and “Zuriin bulan” LLC have not reported their payment initially, but proved on their detailed information.

2.8 Fee for recruiting foreign experts and workers

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Fee for recruiting foreign experts and workers	(36,960)	551,936	544,402	(29,426)

- Under this fee, the companies mostly included the followings:
 - Service charge,
 - Invitation,
 - Identification price and
 - Charge for issuing description.
- “Ivanhoe mines mongolia” Ltd and “Bold tumur eruu gol” LLC have reported received amount from LWSA as returns of workers’ accommodation fee of workers who have departed back before their visa expiration date.
- The LWSA has not reported paid amount of “Khunanhinlen” LLC to local budget fund.
- “Mongolrustvetmet” LLC, “Jump” LLC, “Gatsuurt” LLC and “Ten khun” LLC have not reported initially in their templates; however, their detailed information has confirmed the payments.
- The LWSA has not reported payment of “Tun sin” LLC; however, it was confirmed by the detailed information.

2.9 Fee for use of mineral resources of widespread deposit

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Fee for use of mineral resources of widespread deposit	(1,031,109)	1,030,269	(840)	-

- “Mongolyn alt MAK” LLC has not reported its paid fees initially in the template; however, it was confirmed after checking the detailed information received from the company.
- The government has not reported payment fee for MNT 1,030,269 thousand from “Broo Gold” LLC. Because, this amount was paid to local government budget, therefore, the government has not consolidated. The company has confirmed this payment.

2.10 Other

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Other	(54,333)	-	(37,485)	(16,848)

- “Tun sin” LLC has reported its charges and service charges under other fees initially.

3. Charges and service charges

The differences in the charges and service charges section of the initial templates, together with the adjustments made to figures provided by Government Entities and companies as a result of the reconciliation exercise, are as follows:

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences MNT 000
		Government Entities MNT 000	Companies MNT 000	
3.1 Stamp and other charge for state registration paid to state and local administration in accordance with relevant law	(94,084)	-	(40,062)	(54,022)
3.2 Service charges paid to state and local administration in accordance with relevant law	(365,547)	762	(60,135)	(304,650)
3.3 Custom service fee	(24,107)	51,288	25,299	1,882
Total	(483,737)	52,050	(74,897)	(356,790)

3.1 Stamp and other charge for state registration paid to state & local administration in accordance with relevant law

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Stamp and other charge for state registration paid to state and local administration in accordance with relevant law	(94,084)	-	(40,062)	(54,022)

3.2 Service charges paid to state & local administration in accordance with relevant law

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Service charges paid to state and local administration in accordance with relevant law	(365,547)	762	(60,135)	(304,650)

- “Shanlun” LLC and “Tun sin” LLC have reported their paid fees in their initial template; however, their payments could not be confirmed by their detailed information.
- “Shijir alt” LLC has not reported its paid service charge amount initially; however, it was confirmed by its detailed information.
- “Chinkhua MAK nariin sukhait” LLC has decreased its initially reported amount by its detailed information.

3.3 Custom service fee

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Custom service fee	(24,107)	51,288	25,299	1,882

The companies mostly reported their customs service charges under customs taxes.

4. Dividends on state and local property

The differences in the dividends on state and local property section of the initial templates, together with the adjustments made to figures provided by Government Entities and companies as a result of the reconciliation exercise, are as follows:

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
4.1 Dividends on state property	194,991	-	194,991	-
4.2 Dividends on local property	6,021,492	-	6,021,492	-
Total	6,216,483	-	6,216,483	-

4.1 Dividends on state property

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Dividends on state property	194,991	-	194,991	-

Adjustments made to the initial differences were due to the following reasons:

- “Chinkhua MAK nariin sukhait” LLC’s MNT 262,134 thousand was reported as payment for CIT per company’s reporting, however, the government has reported this amount as payments for CIT and also Dividend on state property for year 2008 at same date. We have clarified with MTA and adjusted the amount since the MTA has accepted its incorrect reporting.
- “Shijir alt” LLC has reported MNT 71,176 thousand initially in the template, however, this amount was adjusted because, the company has accepted its incorrect reporting since the received detailed information from the company show differently.
- “Mongol alt” JSC has not submitted its 2008 reporting to Mongolia EITIS, which resulted to the initial difference, and after receiving the detailed information from the company we have made adjustments amounting to MNT 4,033 thousand.

4.2 Dividends on local property

Section	Initial Differences (net)	Adjustments made		Unresolved Differences (net)
	Government Entities	Companies		
	MNT 000	MNT 000	MNT 000	MNT 000
Dividends on local property	6,021,492	-	6,021,492	-

- “Tavan tolgoi” JSC has accepted its under reporting and sent us the detailed information and it was adjusted.

5. Other payments to recipient government

The differences in the other payments to recipient government section of the initial templates, together with the adjustments made to figures provided by Government Entities and companies as a result of the reconciliation exercise, are as follows:

Section	Initial Differences (net)	Adjustments made		Unresolved Differences (net)
	Government Entities	Companies		
	MNT 000	MNT 000	MNT 000	MNT 000
5.1 Entitlement under Production Sharing Contract with the government	(26,390,273)	26,390,273	-	-
5.2 Other	(279,675)	279,675	-	-
Total	(26,669,948)	26,669,948	-	-

5.1 Entitlement under Production Sharing Contract with the government

Section	Initial Differences (net)	Adjustments made		Unresolved Differences (net)
	Government Entities	Companies		
	MNT 000	MNT 000	MNT 000	MNT 000
Entitlement under Production Sharing Contract with the government	(26,390,273)	26,390,273	-	-

Adjustments made to the initial differences were due to the following reasons:

- “Petro China dachin tamsag” LLC’s initial difference was due to non-reporting by the government side and the figure was adjusted in accordance to the detailed information received from the PAM.

5.2 Other

Section	Initial Differences (net)	Adjustments made		Unresolved Differences (net)
	Government Entities	Companies		
	MNT 000	MNT 000	MNT 000	MNT 000
Other	(279,675)	279,675	-	-

- “Petro China dachin tamsag” LLC’s initial difference was due to non-reporting by the government side and the figure was adjusted in accordance to the detailed information received from the PAM.

6. Donations to governmental organisations

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
6.1 Monetary donation from companies to ministries and agencies	(305,533)	86,802	(211,925)	(6,806)
6.2 Monetary donation from companies to aimags	(6,041,969)	115,177	(5,926,293)	(500)
6.3 Monetary donation from companies to soums	(55,492)	(194,674)	(211,342)	(38,824)
6.4 Monetary donation from companies to local organisations	(626,337)	121,669	(495,192)	(9,476)
Funds disbursed by company in sustainable development and community relations	(2,286,982)	4,764,206	2,491,674	(14,450)
Total	(9,316,313)	4,893,179	(4,353,078)	(70,056)

6.1 Monetary donations from companies to Ministries and agencies

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Monetary donation from companies to ministries and agencies	(305,533)	86,802	(211,925)	(6,806)

Adjustments made to the initial differences were due to the following reasons:

- “Erdenet Mining Corporation” LLC has accepted the incorrect reporting of MNT 57,768 thousand firstly in its template, and it caused the difference and was adjusted based on the detailed information received from the company.
- “Tsairt mineral” LLC has reported MNT 142,720 thousand initially in the template, during our clarification only MNT 131,000 was approved by the detailed information and it is related to donation given to Standard and Measurement Centre and Auto road Fund of the aimag.
- The following ministries and agencies have not reported their received donations in the government reporting from the mining companies:
 - MRAM
 - MNMA
 - Ministry of Foreign Affairs
- The following companies’ donations were classified incorrectly, reported under and over:
 - “Gatsuurt” JSC
 - “Shijir alt” LLC
 - “Erdes holding” LLC
 - “Boroo Gold” LLC
 - “Petro China dachin tamsag” LLC

6.2 Monetary donation from company to aimags

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Monetary donation from companies to aimags	(6,041,969)	115,177	(5,926,293)	(500)

- “Erdenet Mining Corporation” LLC has reported MNT 5,767,007 thousand which does not belong to year 2008.
- “Tsairt mineral” LLC has recorded its donation amount belonging to this item by classifying incorrectly, and the figures were adjusted based on the received confirmation from the centre of the aimag.
- The following aimags have not reported their received donations in the government reporting from the mining companies:
 - Dornod aimag
 - Umnugovi aimag
 - Sukhbaatar aimag
 - Selenge aimag
 - Bayankhongor aimag
 - Govi-Altai aimag
- The following companies have recorded donations given to non-government organisations:
 - “Ivanhoe mines mongolia” Ltd
 - “Gobi coal and energy” LLC
 - “Erdes holding” LLC
 - “Jump” LLC
 - “Uurt gold” LLC

6.3 Monetary donation from company to soums

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Monetary donation from companies to soums	(55,492)	(194,674)	(211,342)	(38,824)

- The following soums have not reported their received donations in the government reporting from the mining companies:
 - Shariin gol soum, Darkhan Uul aimag
 - Bumbugur soum, Bayankhongor aimag
 - Khuder, Eruu soums, Selenge aimag
 - Sevree, Noyon soums, Umnugovi aimag
 - Burekghangai soum, Bulgan aimag
- The following companies' donation amounts were adjusted due to donations to non-government organisations:
 - “Boro Gold” LLC
 - “Bold tumur eruu gol” LLC
 - “Chinkhua MAK nariin sukhait” LLC
- The following companies' donation amounts were adjusted due to confirmation letter received from the local government:
 - “Boro Gold” LLC
 - “Gobi coal and energy” LLC
 - “Tsairt mineral” LLC
 - “Tavan tolgoi” JSC

- “Bold tumur eroo gol” LLC
- “Chinhua MAK nariin sukhait” LLC

6.4 Monetary donation from company local organisations

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Monetary donation from companies to local organisations	(626,337)	121,669	(495,192)	(9,476)

- The following companies' donation amounts were adjusted due to donations to non-government organisations and confirmation letter received from the local government:
 - “Erdenet Mining Corporation” LLC
 - “Boroo Gold” LLC
 - “Gobi coal and energy” LLC
- The following companies' template amounts were adjusted based on confirmation letter received from the local government:
 - “Mongolyn alt MAK” LLC
 - “Ivanhoe mines mongolia” Ltd
 - “Petro China dachin tamsag” LLC

6.5 Funds disbursed by companies in local sustainable development and local community relations

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Funds disbursed by company in sustainable development and community relations	(2,286,982)	4,764,206	2,491,674	(14,450)

- The following companies' donation amounts were adjusted due to donations to non-government organisations and confirmation letter received from the local government:
 - “Boroo Gold” LLC
 - “Gobi Cold and Energy” LLC
 - “Chinhua MAK nariin sukhait” LLC
 - “Tsairt mineral” LLC
- “Chinkhua MAK nariin sukhait” LLC's understated amounts were adjusted based on the received detailed information. The company has provided detailed information confirming its donation amounting to MNT3,396,158 thousand given for maintenance for Culture Centres of Gurvan tes soum of Umnugobi aimag and monetary donations for road construction work to the border point of Shivee huren. In order to confirm the amount, we have sent letter to Governor of Umnugobi requesting confirmation of the amount reported by the company. The Culture Centre of Gurvan tes soum has confirmed the donations while the Mr.Otgonbayar, Development policy department office of Aimag administration, commented that donations for road construction work to Border point was received and its expenditures and a work of the road completion are at 70% currently.
- “Erdenet Mining Corporation” LLC has recorded donation given to non-government organisation.

7. Expenditure for environmental protection

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
7.1 50% contribution in kind to environmental protection special account	(104,505)	63,154	(51,469)	10,118
7.2 Expenditure incurred in relation to environmental protection	957,933	(1,603,935)	33,509	(679,511)
Total	853,428	(1,540,781)	(17,960)	(669,394)

7.1 50% contribution in kind to environmental protection special account

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
50% contribution in kind to environmental protection special account	(104,505)	63,154	(51,469)	10,118

- “Erdenet Mining Corporation” LLC’s reported figures were adjusted after getting confirmation from the MOET.
- “Boroo Gold” LLC has reported figure of year 2007 under 50% contribution in kind to environmental protection special account
- The Government has reported incorrectly for “Mongolrustvetmet” LLC, we have made the necessary adjustment.
- “Chinkhua MAK nariin sukhait” LLC and “Gatsuurt” JSC over reported their amount in the template.

7.2 Expenditure incurred in relation to environmental protection

Section	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000
		Government Entities MNT 000	Companies MNT 000	
Expenditure incurred in relation to environmental protection	957,933	(1,603,935)	33,509	(679,511)

- “Gatsuurt” JSC’s incomplete reported figures were adjusted after receiving the detailed information the company.
- “Adamas mining” LLC has accepted that the template was filled-up improperly.
- “AUM” LLC’s initial figures were over reported, we have adjusted based on the received detailed information.
- “Jump” LLC has not reported its expenditure initially, we have adjusted based on the received detailed information from the company.
- We have adjusted for “Erdes holding” LLC, due to the government has reported amount in initially template, that are not real numbers.

Appendix B Adjustments resulting from the reconciliation exercise – by company

The aggregated flows submitted on the initial templates were discussed in section 5.1 of the Report.

This Appendix describes the adjustments made to the initial templates, analyzed by company.

Tables showing the adjustments made for each company follow. A summary of the differences for all companies shows:

No	Company Name	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000	App No
			Government Entities MNT 000	Companies MNT 000		
1	"Erdenet mining corporation" LLC	(12,471,165)	(20,232,277)	(32,573,343)	(130,099)	B1
2	"Boroo Gold" LLC	(7,763,628)	6,254,898	(368,569)	(1,140,161)	B2
3	"Tsairt mineral" LLC	(2,145,811)	576,337	(3,005,255)	1,435,782	B3
4	"Tavan tolgoi" JSC	10,717,214	(597,555)	10,075,525	44,133	B4
5	"Bold tumur eruu gol" LLC	(177,184)	(1,163,321)	(1,230,755)	(109,750)	B5
6	"Mongolyn alt MAK" LLC	(498,486)	266,607	(188,946)	(42,933)	B6
7	"Mongolrustvetmet" LLC	(2,880,297)	2,112,097	125,251	(893,452)	B7
8	"Shijir alt" LLC	(541,228)	217,389	(323,839)	-	B8
9	"Chinkhua MAK nariin sukhait" LLC	(742,827)	3,438,190	2,815,723	(120,361)	B9
10	"Gatsuurt" JSC	(1,032,717)	(775,385)	(1,808,102)	-	B10
11	"Monpolimet" LLC	2,283,547	(96,861)	2,186,686	-	B11
12	"Engui tal" LLC	1,985,734	6,999	1,992,733	0	B12
13	"Ivanhoe mines mongolia" Ltd	(3,650,450)	190,545	(3,333,094)	(126,811)	B13
14	"Ankhai international" LLC	(74,557)	81,552	6,995	-	B14
15	"Petro China dachin tamsag" LLC	(27,157,635)	27,136,184	(21,451)	-	B15
16	"Baganuur" JSC	(325,358)	249,746	(72,042)	(3,570)	B16
17	"Erdes holding" LLC	126,828	(188,458)	(60,554)	(1,076)	B17
18	"Shin shin" LLC	(2,080,673)	194,849	(1,885,824)	-	B18
19	"Mongol gazar" LLC	(376,113)	(3,458)	(481,317)	101,747	B19
20	"Jump" LLC	262,365	39,615	318,729	(16,749)	B20

Appendix B-cont.

No	Company Name	Initial Differences (net) MNT 000	Adjustments made		Unresolved Differences (net) MNT 000	App. No
			Government Entities MNT 000	Companies MNT 000		
21	"Urmun Uul" LLC	784,156	40,164	824,319	1	B21
22	"Shanlun" LLC	(2,976)	(10,518)	(4,926)	(8,567)	B22
23	"Gobi coal and energy" LLC	(87,306)	170,745	97,012	(13,573)	B23
24	"Shivee ovoo" LLC	(37,055)	67,012	27,401	2,556	B24
25	"Shariin gol" JSC	(49,209)	85,584	47,491	(11,116)	B25
26	"Khan shijir" LLC	3,609	(8,998)	(5,389)	-	B26
27	"Sonor trade" LLC	(30,255)	42,206	11,894	56	B27
28	"Mongol alt" JSC	233,455	(11,218)	222,237	-	B28
29	"Tun sin" LLC	(577,903)	530,144	(43,830)	(3,929)	B29
30	"Mongol tsamkhag" LLC	126,924	44,721	171,635	10	B30
31	"AUM" LLC	(268,522)	30,128	(237,115)	(1,279)	B31
32	"Khunanjinlen" LLC	(26,340)	28,393	7,839	(5,785)	B32
33	"Adamas mining" LLC	84,718	20,023	104,792	(51)	B33
34	"Zuriin bulan" LLC	(212,625)	211,758	10,033	(10,901)	B34
35	"Dazan trade" LLC	(24,037)	1,572	(20,465)	(2,000)	B35
36	"Erel" LLC	150,801	161,336	313,784	(1,647)	B36
37	"Tethys mining" LLC	(843,582)	(15,897)	(859,479)	-	B37
38	"Shijir talst" LLC	(3,151)	1,205	(1,267)	(679)	B38
39	"Uuls zaamar" LLC	(19,503)	26,918	7,327	89	B39
40	"Aduunchuluun" JSC	54	5,256	12,431	(7,121)	B40
41	"Berleg mining" LLC	124,775	2,900	127,681	(5)	B41
42	"Talbulag trade" JSC	(11,470)	11,515	15	30	B42
43	"Eltrana" LLC	(20,253)	6,363	(10,991)	(2,899)	B43
44	"Uurt gold" LLC	24,893	36,615	61,838	(330)	B44
45	"Cold gold mongol" LLC	(25,719)	25,757	38	-	B45
46	"Ten khun" LLC	100,089	7,184	136,902	(29,629)	B46
Total Amount		(47,148,870)	19,218,221	(26,830,242)	(1,100,407)	

B1. "Erdenet mining corporation" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	448,121,151	457,484,749	(9,363,598)	138	(9,364,020)	448,121,289	448,120,729	560	
Corporate income tax	65,823,230	48,305,467	17,517,764		17,516,884	65,823,230	65,822,350	880	1
Customs tax	8,372,609	25,425,090	(17,052,481)		(17,052,481)	8,372,609	8,372,609	-	2
Windfall tax	372,044,016	381,286,854	(9,242,839)		(9,242,839)	372,044,016	372,044,016	-	3
Real estate tax	1,233,299	1,233,299	-			1,233,299	1,233,299	-	4
Excise tax on imported fuel and lubricants	575,949		575,949		575,949	575,949	575,949	-	5
Tax on petrol and diesel fuel	47,088		47,088		47,088	47,088	47,088	-	5
Tax on automobile and self moving vehicles	24,960	25,280	(320)			24,960	25,280	(320)	
Asset tax		190,543	(190,543)		(190,543)	-	-	-	
Corporate income tax deducted from non-resident entity		599,349	(599,349)		(599,349)	-	-	-	
Income tax of the dividend		418,730	(418,730)		(418,730)	-	-	-	
Other taxes in monetary value (1)		138	(138)	138		138	138	-	6
2. Fees	80,364,977	77,122,803	3,242,174	(20,296,756)	(17,054,582)	60,068,221	60,068,221		
Fee for exploitation of mineral resources ("royalty fee")	78,286,883	66,264,513	12,022,370	(20,296,415)	(8,274,045)	57,990,468	57,990,468	-	7
Licence fee for exploitation and exploration of mineral resources			-			-	-	-	
Licence fee for exploitation and exploration of mineral resources /in USD/	341		341	(341)		-	-	-	8
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		8,780,537	(8,780,537)		(8,780,537)	-	-	-	9
Fee for water use	1,295,000	1,295,000	-			1,295,000	1,295,000	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	782,753	782,753	-			782,753	782,753	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	82,681	-	82,681	-	82,681	82,681	82,681	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	

B1. "Erdenet mining corporation" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	
Custom service fee	82,681		82,681		82,681	82,681	82,681	-	10
4. Dividends on state and local property	21,062,246	21,062,246	-	-	-	21,062,246	21,062,246	-	
Dividends on state property	21,062,246	21,062,246	-			21,062,246	21,062,246	-	
Dividends on local property			-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	6,237,421	(6,237,421)	-	(6,237,421)	-	-	-	
Monetary donation from business entity to ministries and agencies		57,768	(57,768)		(57,768)	-	-	-	11
Monetary donation from business entity to aimag		5,767,007	(5,767,007)		(5,767,007)	-	-	-	11
Monetary donation from business entity to soums			-			-	-	-	11
Monetary donation from business entity to local organisations		279,377	(279,377)		(279,377)	-	-	-	11
Funds disbursed by company in sustainable development and community relations		133,270	(133,270)		(133,270)	-	-	-	11
7. Costs disbursed for protection of the environment	-	195,000	(195,000)	64,000	-	64,000	195,000	(131,000)	
In kind contribution at rate of 50% to environmental special account		65,000	(65,000)	64,000		64,000	65,000	(1,000)	12
Costs disbursed for protection of the environment		130,000	(130,000)			-	130,000	(130,000)	12
Дүн	549,631,055	562,102,220	(12,471,165)	(20,232,618)	(32,573,343)	529,398,437	529,528,877	(130,440)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies 880

Payments reported by companies which exceed the corresponding receipts reported by Government Entities (131,320)

Net differences (130,440)

B1. Erdenet Mining Corporation LLC

Brief introduction

Mongolia-Russian Joint venture “Erdenet Mining Corporation” LLC /EMC/ was established in 1971, and started its operation in 1978. It locates in Orkhon aimag.

The company’s main activities are mining of copper and ore and producing and exporting of copper and molybdenum concentrate, and also produces heat, steam, water, acid and acetylene for Erdenet city settlers and other organisations.

The EMC is registered with the MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The Government reported that EMC paid amount of MNT65,823,230 thousand and the EMC reported amount of MNT48,305,466 thousand for corporate income tax. The discrepancy was due to that the EMC reported incompletely when the corporate income tax setting against other taxes.

2. Customs tax

The EMC reported VAT, Customs tax and Customs service charges at its paid amounts.

3. Windfall tax

The Government has not included the windfall tax amount that was paid by EMC in December 31, 2008.

4. Real estate tax

There is no difference between government receipt and the EMC payment for real estate tax.

5. Excise tax on imported fuel and lubricants

The EMC reported excise tax amounting to MNT 575,949 thousand and tax on imported fuel and oil materials amounting to MNT 47,088 thousand under Customs Tax Section.

6. Other

The EMC has reported the following taxes separately from corporate income tax: property tax (such as income from leasing property, income from interest e.g), income tax for legal entities not residing in Mongolia and dividend and gains of shareholders. The above taxes shall be reported as a corporate income tax in according to Template #1 of MEITIS.

7. Fee for exploitation of mineral resources ("royalty fee")

The MTA and EMC agreed to shift other tax setting against Royalty fee at the ending of 2008 and the discrepancy was due to MTA reported by this amount and EMC reported by its net payment. We have made adjustments based on details of related parties.

8. Licence fee for exploitation and exploration of mineral resources

The EMC initially did not report licence for exploitation and exploration of mineral resources and however, reported the tax by its detailed information. PAM reported amounting to USD340 thousand and the EMC reported MNT397,164 thousand. We have made adjustments.

9. Land rent fee

The EMC provides water utility to Orkhon aimag. Land rent fee to Orkhon aimag is sett-off against State budget organisation water fee.

10. Custom service fee

The EMC confirmed that Customs service charges of MNT82,681 thousand reported in Customs tax. The accountant who responsible for Customs service charges explained the EMC does not record account for Customs tax and Customs service charges separately. Therefore, it is impossible to report them separately.

11. Donations to government organisations:

Monetary donation from business entity to ministries and agencies:

The EMC reported monetary donations amounting to MNT57,567 thousand to Ministries and Agencies and the Government reported that they did not receive any donations. The EMC reported us they did not provide donations to Ministries and Agencies in process of our review.

Monetary donation from business entity to aimags:

The division of Thermal canal and network of EMC was transferred to local property. The EMC made maintenance and repairs for city thermal canal and network and disbursed amounting to MNT5.7billion in according to order of Board of Directors of EMC before transferring the division. Therefore, the expenditures should not be reported in donation for fiscal year 2008.

Monetary donation from business entity to local organisations:

The EMC reported monetary donations to local government amounting to MNT279,377 thousand. However the recipients were non-government organisations and profit entities, not government organisation.

Funds disbursed by company in sustainable development and community relations:

The EMC reported monetary donations to Mongolian Management Association, Mongolian Badminton Union, Mongolian Football Union and Mongolian Bend Union as a fund in sustainable development and community relations.

12. Costs disbursed for protection of the environment

The EMC reported amounting to MNT130,000 thousand expenditures incurred in relation to environmental protection. The discrepancy was due to the Government did not report it.

Disclosure:

We sent confirmation letter to company on March 25, 2010 and received the reply on April 28, 2010. The confirmation was made by getting detailed information from the company and receiving clarifications on donations and fee for water use from the Governor of Orkhon and Bulgan aimags.

Summary:

The difference is remained unresolved since it was difficult to confirm the company paid amount with the government amount.

B2 . "Boroo Gold" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	22,249,050	22,790,478	(541,428)	563,989	15,102	22,813,039	22,805,581	7,458	
Corporate income tax	19,624,287	19,957,011	(332,724)	332,724		19,957,011	19,957,011	-	1
Customs tax	74,335	58,551	15,784		15,784	74,335	74,335	-	
Windfall tax	2,546,486	2,570,963	(24,477)	24,477		2,570,963	2,570,963	-	2
Real estate tax		197,428	(197,428)	197,428		197,428	197,428	-	3
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	3,942	6,525	(2,583)	9,359	(681)	13,302	5,843	7,458	4
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	7,436,676	12,084,819	(4,648,143)	4,631,171	-	12,067,847	12,084,819	(16,972)	
Fee for exploitation of mineral resources ("royalty fee")	7,351,137	10,729,982	(3,378,845)	3,378,845		10,729,982	10,729,982	-	5
Licence fee for exploitation and exploration of mineral resources		141,883	(141,883)	141,883		141,883	141,883	-	6
Licence fee for exploitation and exploration of mineral resources /in USD/	121		121	(121)		-	-	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		50,383	(50,383)	50,383		50,383	50,383	-	7
Fee for water use		29,913	(29,913)	29,913		29,913	29,913	-	7
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	85,418	85,542	(124)			85,418	85,542	(124)	
Fee for use of mineral resources of widespread deposit		1,030,269	(1,030,269)	1,030,269		1,030,269	1,030,269	-	8
Other		16,848	(16,848)			-	16,848	(16,848)	9
3. Charges and service charges	8,528	99,230	(90,702)	-	(69,089)	8,528	30,142	(21,613)	10
Stamp and other charges for registration paid to state and local administration in accordance with relevant law		7,430	(7,430)			-	7,430	(7,430)	10
Service charges paid to state and local administration in accordance with relevant law		14,183	(14,183)			-	14,183	(14,183)	10

B2 . "Boro Gold" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	8,528	77,617	(69,089)			(69,089)	8,528	8,528	- 11
4. Dividends on state and local property	-	-	-				-	-	-
Dividends on state property		-	-				-	-	-
Dividends on local property		-	-				-	-	-
5. Other payments to recipient government	-	-	-				-	-	-
Entitlement under Production Sharing Contract with the government			-				-	-	-
Other			-				-	-	-
6. Donations to Governmental organisations	-	1,328,879	(1,328,879)	1,059,739	(269,141)	1,059,739	1,059,739		12
Monetary donation from business entity to ministries and agencies		34,095	(34,095)	28,315	(5,780)	28,315	28,315		- 12
Monetary donation from business entity to aimag		29,576	(29,576)	6,082	(23,494)	6,082	6,082		- 12
Monetary donation from business entity to soums		19,319	(19,319)	14,546	(4,773)	14,546	14,546		- 12
Monetary donation from business entity to local organisations		236,700	(236,700)		(236,700)		-		- 12
Funds disbursed by company in sustainable development and community relations		1,009,190	(1,009,190)	1,010,796	1,606	1,010,796	1,010,796		- 12
7. Costs disbursed for protection of the environment	-	1,154,475	(1,154,475)		(45,442)		1,109,033	(1,109,033)	
In kind contribution at rate of 50% to environmental special account		45,442	(45,442)		(45,442)		-	-	- 13
Costs disbursed for protection of the environment		1,109,033	(1,109,033)				1,109,033	(1,109,033)	14
Total	29,694,255	37,457,882	(7,763,628)	6,254,898	(368,569)	35,949,153	37,089,313	(1,140,161)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies	7,458
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	(1,147,619)
Net differences	(1,140,161)

B2. "Boroo Gold" LLC

Brief introduction

The BG is 100% owned by Centrera Gold LLC /BG/ of Canada and located and operates its activities in Mandal and Bayagol soums of Selenge aimag.

The BG is registered with the MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The discrepancies were due to the Government did not report tax for income from interest on loan amounting to MNT332,724 thousand. The bank withheld tax from interest income earnings on BG cash ending and transferred to Tax Authority. Therefore, we have made adjustments based on detailed information provided by the BG.

2. Windfall tax

The BG reported windfall tax of MNT24,476 thousand that paid in December 31, 2008 and the Government did not report. Therefore we considered it after the balance sheet event and made adjustments in it.

3. Real estate tax

The BG provided us details on Real estate tax of MNT197,428 thousand and the Government did not report it. The WG has issued decision to resolve this difference after our draft report presentation. We have contacted with aimag and local government organisations with support of MTA and has received the details. And it was approved that the payment was made by the BG.

4. Tax on automobiles and self moving vehicles

The initial figures were changed by next submission from both the BG and the Government. Amounting to MNT7,458 remained as unresolved differences after making adjustments. We sent a letter to the BG regarding differences and did not receive a reply

5. Fee for exploitation of mineral resources ("royalty fee")

The initial discrepancy was MNT3,378,845 thousand for Royalty fee. The Government changed the initial figures on their next details and the discrepancy decreased amounting to MNT61,776 thousand. When reviewing details provided by both the BG and the Government, amounting to MNT61,776 thousand was recorded twice on Government records.

6. Licence fee for exploitation and exploration of mineral resources

The discrepancy was due to the Government reported in USD and the BG reported in MNT. The company's foreign currency translation was generally recorded properly, therefore we adjusted it.

7. Land rent fee, Fee for water use

The Government did not report land rent fee amounting to MNT50,382 thousand, fee for water use amounting to MNT29,913 thousand that paid by the BG. The BG transferred the above fees to Local tax organisation and confirmed and provided us detailed information.

8. Fee for use of mineral resources of widespread deposit

The Government did not report fee for use of mineral resources of wide spread deposit amounting MNT1,030,269 thousand. The BG confirmed the amount reported and provided details on the reported amount. The discrepancy was due to the fees transferred to Local tax organisation was not including in Government report. However, we have resolved the difference making the respective adjustment, since we could collect information from the BG and as well as from the local government tax institutions.

9. Other

Under Other tax BG reported accommodation fee paid for one disabled individual to LWSA department of Selenge aimag. The BG has provided with respective details, however, the government had not reported initially and not provided with details. Therefore, the difference remained still unresolved.

10. Charges, service charges

The amounting to MNT21,613 thousand discrepancy was due to the Government did not report charges and service charges. The BG confirmed the amount and provided details on the reported amount.

11. Custom service fee

The BG reported service charges to intermediary companies when importing goods as a Customs service fee. Therefore, we eliminated and adjusted it.

12. Donations to government organisations

Monetary donation from business entity to ministries and agencies:

The BG reported donations to Ministries and Agencies amounting to MNT35,815 thousand and the Government did not report any amount. The BG provided details on donations to MNCCI, MNMA, and other NGO's therefore, all were adjusted. Donation to MRAM, English language traninig course fee and notebook, amounting to MNT28,314 thousand was approved by the detailed information from the MRAM. The respective adjustment was made.

Monetary donation from business entity to aimags:

The BG implied us monetary donations amounting to MNT6,082.2 thousand provided to hospital in Darkhan-Uul aimag. However the hospital has not reported the amount in the next year reporting. We have deducted donations of MNT21,051.8 thousand and MNT3,287.6 thousand, given to Public Racing Contest for Children Development Program of Darkhan and its other activities, since these donations were not to government organisations. Our team member has visited to the respective area and checked and confirmed the reality.

Monetary donation from business entity to soums:

The Culture centre's accountant did not record the musical instrument donations from the BG to Culture centre in Bayangol soum, Selenge aimag.

Monetary donation from business entity to local governments:

The BG reported initially that monetary donations amounting to MNT 263,700 thousand to Local organisations. However BG did not report any donation amount on its details.

Funds disbursed by company in sustainable development and community relations:

The BG reported initially that donations of amounting to MNT1,009,189 thousand had been provided to Sustainable development Fund of Mandal, Bayangol, and Tukhel soum of Selenge aimag. The BG stated amounting to MNT1,014,173 thousand donations on his next report. The Government initially did not report any amount. Our team member went business trip to above soums and observed that musical instrument to Culture centre in Bayagol soum, Selenge aimag was not recorded.

13. In-kind contribution at rate of 50% to environmental special account

The BG reported 50% contribution in kind to environmental protection amounting to MNT45,442 thousand for year 2007 as contribution for fiscal year 2008.

14. Costs disbursed for protection of the environment

We could not confirm any amount due to the Government did not report expenditures incurred in relation to environmental protection.

Disclosure:

We sent confirmation letter to company on March 25, 2010 and received the reply on April 19, 2010. The donation amount was confirmed as result of our team member field trip to Selenge aimag, and we have sent confirmation letters to respective state and budget organisations on April 29, 2010 and received reply and contacted with local tax organisations with assistance of the MTA receiving details and related supporting documents.

Summary:

For this company, service charges paid to state and local administration in accordance with relevant law, other fees and costs disbursed for environmental protection are not confirmed at reality.

B3 . "Tsairt mineral" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	10,997,270	13,019,812	(2,022,541)	-	(2,022,371)	10,997,270	10,997,441	(170)	
Corporate income tax	10,547,037	8,356,777	2,190,261		2,190,261	10,547,037	10,547,037	-	1
Customs tax	283,550	305,921	(22,371)		(22,371)	283,550	283,550	-	2
Windfall tax			-			-	-	-	
Real estate tax	163,533	163,533	0			163,533	163,533	0	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	3,150	3,320	(170)			3,150	3,320	(170)	
Other taxes in monetary value (1)		4,190,260	(4,190,260)		(4,190,260)	-	-	-	3
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	7,047,352	8,078,928	(1,031,575)	361,320	(659,764)	7,408,672	7,419,164	(10,492)	
Fee for exploitation of mineral resources ("royalty fee")	6,854,973	7,215,633	(360,660)	360,660		7,215,633	7,215,633	-	4
Licence fee for exploitation and exploration of mineral resources		660,424	(660,424)	660	(659,764)	660	660	-	5
Licence fee for exploitation and exploration of mineral resources /in USD/	1		1	(1)		-	-	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent	1,629	1,629	-			1,629	1,629	-	
Fee for water use	21,784	30,159	(8,375)			21,784	30,159	(8,375)	6
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	168,966	171,083	(2,117)			168,966	171,083	(2,117)	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	7,764	-	7,764	-	7,764	7,764	7,764	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	
Custom service fee	7,764		7,764		7,764	7,764	7,764	-	7

B3 . "Tsairt mineral" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property		-	-			-	-	-	
Dividends on local property		-	-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	545,273	(545,273)	209,968	(330,885)	209,968	214,388	(4,420)	
Monetary donation from business entity to ministries and agencies		142,720	(142,720)		(141,000)		1,720	(1,720)	8
Monetary donation from business entity to aimag		128,887	(128,887)	45,988	(82,899)	45,988	45,988	-	8
Monetary donation from business entity to soums		7,200	(7,200)	13,980	6,780	13,980	13,980	-	8
Monetary donation from business entity to local organisations			-		2,700		2,700	(2,700)	8
Funds disbursed by company in sustainable development and community relations		266,466	(266,466)	150,000	(116,466)	150,000	150,000	-	8
7. Costs disbursed for protection of the environment	1,478,400	32,585	1,445,815	5,050	-	1,483,450	32,585	1,450,865	
In kind contribution at rate of 50% to environmental special account		5,000	(5,000)	5,050		5,050	5,000	50	9
Costs disbursed for protection of the environment	1,478,400	27,585	1,450,815			1,478,400	27,585	1,450,815	10
Total	19,530,787	21,676,598	(2,145,811)	576,337	(3,005,255)	20,107,124	18,671,342	1,435,782	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies	1,450,865
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	(15,083)
Net differences	1,435,782

B3. "Tsairt mineral" LLC

Brief introduction

Tsairt Mineral LLC /TM/ is a joint venture company, 49% held by Metalimpex LLC of Mongolia and 51% by the NFC LLC of China. TM operates zinc factory based on deposit locates in Sukhbaatar aimag, 16 km away from Centre of the aimag.

TM is registered with the Tax Authority in Sukhbaatar aimag.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The TM changed initial figures by his next details. Taxes amounting to MNT4,190,260 thousand from income from dividends and transferred to abroad were reported as other taxes. Transaction that made to error account amounting to MNT2,000,000 was recorded as tax. The above errors were adjusted on TM's record and remained amounting to MNT170 thousand differences were unresolved.

2. Customs tax

The TM recorded and reported Customs service fee and Customs intermediary charges together with Customs tax.

3. Other

The TM reported taxes amounting to MNT4,190,260 thousand withheld from income from dividend and transferred income to abroad as other taxes. We adjusted it as Corporate income tax.

4. Fee for exploitation of mineral resources ("royalty fee")

The Government did not report amounting to MNT360,657 thousand paid by TM at the year ending.

5. Licence fee for exploitation and exploration of mineral resources

The Government reported in USD and the TM reported in MNT and not in thousands. We have adjusted it due to foreign currency translation was generally recorded in Company's accounting properly.

6. Fee for water use

The TM reported payment amounting to MNT30,158 thousand and the Government reported receipt of amounting to MNT21,784 thousand. The TM confirmed reported amount by details. Therefore we considered that fees transferred to Local tax organisation were not included in the Government report and remained as unresolved differences.

7. Custom service fee

The TM did not report Customs service fee from Customs tax separately.

8. Donations to government organisations

Monetary donation from business entity to ministries and agencies:

The TM reported donations amounting MNT 10.0 million to State Filormony and MNT1.7 million to Mining Secretariat. We sent a letter to related organisations and did not receive a reply.

Monetary donation from business entity to aimags:

The TM reported donations for 40 students' tuition fee amounting to MNT29,487.6 thousand in Sukhbaatar aimag, amounting to MNT6,500.0 thousand for aimag's national holiday "Naadam" and amounting to MNT10,000 thousand for natural disaster. The Government did not report any amount. We sent a confirmation letter and as a result of review, the related parties confirmed that the donations were received.

Monetary donation from business entity to local governments:

The TM reported donations total of MNT2,700 thousand to Centre for standardization and measurement, Sport Union and Sightless Association of Sukhbaatar aimag. We could not confirm the amounts since the amounts are not confirmed by recipients.

Funds disbursed by company in sustainable development and community relations:

The TM reported monetary donations amounting to MNT130.0 million to Road Fund and amounting to MNT20.0 million for Sukhbaatar avenue. We sent a confirmation letter to related parties of Sukhbaatar aimag and they confirmed that the donations were received.

9. In-kind contribution at rate of 50% to environmental special account

The government has not reported this amount initially.

10. Costs disbursed for protection of the environment

The Government reported expenditure incurred in relation to environmental protection amounting to MNT1,478,400 thousand and the TM reported MNT27,585 thousand as actual expenditure incurred.

Disclosure:

We sent confirmation letter to company on March 25, 2010. And received the detailed information of the government, and sent confirmation letters to respective state and budget organisations on April 29, 2010 and received reply and contacted with local tax organisations with assistance of the MTA receiving details and related supporting documents.

Summary:

For this company the unresolved difference is small except, costs disbursed for environmental protection, which is not confirmed at physically.

B4. "Tavan tolgoi" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	4,763,704	5,287,079	(523,374)	-	(573,479)	4,763,705	4,713,600	50,105	
Corporate income tax	4,710,000	5,282,799	(572,799)		(572,799)	4,710,000	4,710,000	-	
Customs tax	50,105		50,105			50,105	-	50,105	1
Windfall tax			-			-	-	-	
Real estate tax	500	1,280	(780)		(780)	500	500	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	3,100	3,000	100		100	3,100	3,100	-	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	7,238,884	2,398,980	4,839,904	(176,481)	4,663,419	7,062,403	7,062,399	4	
Fee for exploitation of mineral resources ("royalty fee")	7,217,300	2,374,500	4,842,800	(176,481)	4,666,319	7,040,819	7,040,819	-	2
Licence fee for exploitation and exploration of mineral resources		2,900	(2,900)		(2,900)	-	-	-	3
Licence fee for exploitation and exploration of mineral resources /in USD/			-			-	-	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent	19,036	19,030	6			19,036	19,030	6	
Fee for water use	2,548.4	2,550	(2)			2,548	2,550	(2)	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	4
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	240	5,715.9	(5,476)	-	-	240	5,716	(5,476)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law		5,715.9	(5,716)			-	5,716	(5,716)	

B4. "Tavan tolgoi" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	240		240			240	-	240	
4. Dividends on state and local property	6,021,492	-	6,021,492	-	6,021,492	6,021,492	6,021,492	-	
Dividends on state property	6,021,492	-	6,021,492		6,021,492	6,021,492	6,021,492	-	
Dividends on local property		-	-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	520,700	142,332	378,368	(421,074)	(42,206)	99,626	100,126	(500)	
Monetary donation from business entity to ministries and agencies			-			-	-	-	5
Monetary donation from business entity to aimag		72,713	(72,713)	26,989	(45,224)	26,989	27,489	(500)	5
Monetary donation from business entity to soums	520,700	69,618	451,082	(448,064)	3,018	72,636	72,636	-	5
Monetary donation from business entity to local organisations			-			-	-	-	5
Funds disbursed by company in sustainable development and community relations			-			-	-	-	5
7. Costs disbursed for protection of the environment	6,300	-	6,300	-	6,300	6,300	6,300	-	6
In kind contribution at rate of 50% to environmental special account	6,300		6,300		6,300	6,300	6,300	-	
Costs disbursed for protection of the environment			-			-	-	-	6
Total	18,551,321	7,834,107	10,717,214	(597,555)	10,075,525	17,953,766	17,909,632	44,133	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies	50,351
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	(6,217)
Net differences	44,133

B4. "Tavan tolgoi" JSC

Brief introduction

Tavan tolgoi is /TT/ a Mongolian company, 51% held by Government of Umnugobi aimag and 49% held by other stockholders. TT extracts coal from Tsogt-Tsetsii soum, Umnugobi aimag. TT has started its coal export since 2004, and as of now, the TT has exported 5.0 million ton coal and selling 2.77 million ton in domestic market. TT not only provides Umnugovi aimag with coal also supplies nearby soums like soums of Dundgov and Dornogovi. TT has approximately 170 employees. And TT provides almost 70-80% of Umnugovi aimag budget.

TT is registered with the MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The TT reported by its taxable amount, not actual paid amount.

2. Customs tax

The Government reported Customs tax amounting to MNT50,105 thousand was received and the TT did not report any amount. We had not received details from the TT.

3. Real estate tax

The TT reported by its taxable amount, not actual paid amount.

4. Tax on automobiles and self moving vehicles

The TT reported by its taxable amount, not actual paid amount.

5. Fee for exploitation of mineral resources ("royalty fee")

The initial discrepancy amounting to MNT297,500 thousand was due to TT reported the fee by its amount recognized as expenses, not actual payment. Based on the details from the both sides, the difference became to MNT121,019 thousand. And this amount was adjusted since the government has reported the amount in the next year reporting, which was paid on 30 December 2008.

6. Dividends on state and local property

TT has not reported initially its paid dividend, however, provided the details as paid. Therefore, we have made the respective adjustment.

7. Licence fee for exploitation and exploration of mineral resources

The government has reported the amount, however, TT reported licence fee payment for year 2007 as fee for year 2008.

8. Donations to government organisations

Monetary donation from business entity to aimags:

The TT reported monetary donations amounting to MNT72,713 thousand donated to governor of Umnugovi aimag. We have confirmed this amount through our branch at Umnugovi aimag, however, we could not confirm amount of MNT500 thousand.

Monetary donation from business entity to soums:

The TT reported monetary donations amounting to MNT69,618 thousand to Tsogttsetsii soum of Umnugovi aimag and we have confirmed this amount be receiving official letter from the governor.

9. In-kind contribution at rate of 50% to environmental special account

The TT under reported initially, however, the amount was confirmed by the details.

Disclosure:

We sent confirmation letters to company on March 25, 2010. Based on the company detailed information received on April 29, 2010 we have confirmation letters to respective state and budget organisations and received the reply on fax. Also received the additional information by contacting with aimag and soum tax organisations and company accountant on the phone with assistance of the MTA receiving details and related supporting documents.

Summary:

For this company there is no unresolved difference except, service charges paid to state and local administration in accordance with relevant law.

B5. "Bold tumur eroo gol" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	4,449,374	5,677,246	(1,227,872)	-	(1,228,055)	4,449,374	4,449,191	183	
Corporate income tax	4,065,270	4,065,290	(20)		(20)	4,065,270	4,065,270	-	
Customs tax	371,027	1,599,012	(1,227,985)		(1,227,985)	371,027	371,027	-	1
Windfall tax			-			-	-	-	
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	13,076	12,943	133		(50)	13,076	12,893	183	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	2,270,608	1,015,311	1,255,297	(1,300,070)	(45,153)	970,538	970,158	380	
Fee for exploitation of mineral resources ("royalty fee")	2,151,320	788,199	1,363,121	(1,363,121)		788,199	788,199	-	2
Licence fee for exploitation and exploration of mineral resources		24,252	(24,252)		(24,252)	-	-	-	3
Licence fee for exploitation and exploration of mineral resources /in USD/	21.18		21	(21)		-	-	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent	28,330	27,950.9	380			28,331	27,951	380	
Fee for water use			-			-	-	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	90,936	174,909	(83,973)	63,072	(20,901)	154,008	154,008	-	4
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	88,567.65	-	88,568	-	87,301	88,568	87,301	1,267	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	
Custom service fee	88,568		88,568		87,301	88,568	87,301	1,267	
4. Dividends on state and local property	0	0	-			-	-	-	

B5. "Bold tumur eroo gol" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Dividends on state property		0	-			-	-	-	
Dividends on local property		0	-			-	-	-	
5. Other payments to recipient government	0	0	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	0	182,896	(182,896)	136,749	(44,848)	136,749	138,049	(1,300)	5
Monetary donation from business entity to ministries and agencies		4,300	(4,300)	3,000		3,000	4,300	(1,300)	5
Monetary donation from business entity to aimag		1,000	(1,000)	1,000		1,000	1,000	-	5
Monetary donation from business entity to soums		177,596	(177,596)	127,749	(49,848)	127,749	127,749	-	5
Monetary donation from business entity to local organisations			-			-	-	-	5
Funds disbursed by company in sustainable development and community relations			-	5,000	5,000	5,000	5,000	-	5
7. Costs disbursed for protection of the environment	0	110,280	(110,280)	-	-	-	110,280	(110,280)	6
In kind contribution at rate of 50% to environmental special account			-			-	-	-	
Costs disbursed for protection of the environment		110,280.3	(110,280)			-	110,280	(110,280)	6
Total	6,808,550	6,985,734	(177,184)	(1,163,321)	(1,230,755)	5,645,228	5,754,979	(109,750)	
Receipts reported by Government Entities which exceed the corresponding payments reported by companies					1,830				
Payments reported by companies which exceed the corresponding receipts reported by Government Entities					(111,580)				
Net differences					(109,750)				

B5. "Bold tumur eruu gol" LLC

Brief introduction

Bold Tumur Eruu Gol /BTEG/ LLC extracts iron ore from Eruu soum, Selenge aimag and exports to China. BTEG is registered with Tax Authority of Chingeltei district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

The discrepancy was due to BTEG reported Customs tax that included VAT. The amount that eliminates the VAT from the amount reported by BTEG generally matched with the Government amount.

2. Fee for exploitation of mineral resources ("royalty fee")

The Government reported the fee paid by BTYG amounting to MNT1,988,300 thousand on December 2007 as a receipt of 2008. The discrepancy was mainly due to the Government was not record the fee paid on December 2008 amounting to MNT625,199 thousand. The difference was resolved due to made adjustments.

3. Licence fee for exploitation and exploration of mineral resources

The discrepancy was due to the Government reported in USD and the BTEG reported in MNT. We have adjusted it and foreign currency translation was generally recorded properly.

4. Fee for recruiting foreign experts and workers

The BTEG reported initial figures by decreasing amounting to MNT20,901 thousand on its details. It was caused by the BTEG did not report other fees and charges related to in/out of border expenses from the fee for recruiting foreign experts and workers separately. The BTEG confirmed the reported amount and it was supported by primary documents. The discrepancy was due to the Government under reporting. We have checked with LWSA again, and noticed that the government used the BTEG name as Eruu gol only and the difference was solved completely due to our made adjustment.

5. Donations to government organisations

Monetary donation from business entity to ministries and agencies:

BTEG provided details amounting to MNT4,300 thousand for 59th years anniversary of Geology division establishment to Emergency Government organisation and MRAM. We have also received a confirmation from the MRAM and adjusted the amount.

Monetary donation from business entity to aimags:

Our team has checked donation amount by visiting to the aimag and confirmed MNT127,749 thousand of donation based on the supporting documents out of MNT177,595 thousand. The remaining MNT49,846 thousand was nor recorded on the accounts of the organisation. And these amounts were deducted since they were donated to individual, private companies, to China people as disaster event supporting and religious activity of the aimag.

Funds disbursed by company in sustainable development and community relations:

During our team member visitation to local area, we have noticed that there was donation of MNT5.0 million from BTEG to Dulaankhaan Village. And this amount was not reported by both parties. The Dulaankhaan Village has confirmed the amount.

6. Costs disbursed for protection of the environment

The BTEG has reported cost for environment protection of MNT110,280 thousand and also provided the details. The government has not reported any amount, so the difference has occurred.

Disclosure:

We sent confirmation letters to company on March 25, 2010 and received the reply on April 19, 2010 together with detailed information and photocopies of the supporting documents. Regarding the donation, we have confirmed by visiting to Selenge aimag on field trip.

Summary:

For this company there is no unresolved difference except, costs disbursed for environment protection, which could not be confirmed since the amount is not real.

B6. "Mongolyn alt MAK" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	2,824,067	2,897,470	(73,403)	7,455	(66,228)	2,831,521	2,831,242	280	
Corporate income tax	2,404,835	2,404,835	-			2,404,835	2,404,835	-	
Customs tax	400,851	467,069	(66,218)		(66,218)	400,851	400,851	-	1
Windfall tax	-		-		-	-	-	-	
Real estate tax	10,459	17,157	(6,698)	6,698		17,157	17,157	-	2
Excise tax on imported fuel and lubricants			-					-	
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles	7,921	8,409	(487)	756	(10)	8,678	8,398	280	3
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	1,849,191	2,198,471	(349,280)	169,194	(180,086)	2,018,385	2,018,385	-	
Fee for exploitation of mineral resources ("royalty fee")	1,234,329	1,411,653	(177,325)	130,228	(47,097)	1,364,556	1,364,556	-	4
Licence fee for exploitation and exploration of mineral resources	50,571	207,854	(157,283)	(6)	(157,288)	50,565	50,565	-	5
Licence fee for exploitation and exploration of mineral resources /in USD/	122		122		122	122	122	-	5
Reimbursement of deposit, exploration of which is carried by the budget fund	542,182	542,658	(476)	476		542,658	542,658	-	6
Land rent	1,680	36,147	(34,467)	32,748	(1,719)	34,428	34,428	-	7
Fee for water use	157	159	(2)		(2)	157	157	-	
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers	19,611		19,611	5,749	25,359	25,359	25,359	-	8
Fee for use of mineral resources of widespread deposit	540		540		540	540	540	-	9
Other			-					-	
3. Charges and service charges	817,771	798,889	18,882	-	62,095	817,771	860,984	(43,213)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant law			-		43,213		43,213	(43,213)	10

B6. "Mongolyn alt MAK" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	817,771	798,889	18,882		18,882	817,771	817,771	-	11
4. Dividends on state and local property	-	-	-			-	-	-	-
Dividends on state property		-	-			-	-	-	-
Dividends on local property		-	-			-	-	-	-
5. Other payments to recipient government	-	-	-			-	-	-	-
Entitlement under Production Sharing Contract with the government			-			-	-	-	-
Other			-			-	-	-	-
6. Donations to Governmental organisations	17,100	32,511	(15,411)	13,411	(2,000)	30,511	30,511	-	-
Monetary donation from business entity to ministries and agencies		3,000	(3,000)	1,000	(2,000)	1,000	1,000	-	12
Monetary donation from business entity to aimag			-					-	-
Monetary donation from business entity to soums	17,100	5,200	11,900	(11,900)		5,200	5,200	-	12
Monetary donation from business entity to local organisations		24,311	(24,311)	24,311		24,311	24,311	-	12
Funds disbursed by company in sustainable development and community relations			-					-	-
7. Costs disbursed for protection of the environment	1,128	80,402	(79,274)	76,547	(2,727)	77,675	77,675	-	-
In kind contribution at rate of 50% to environmental special account	1,128	4,642	(3,514)	787	(2,727)	1,915	1,915	-	13
Costs disbursed for protection of the environment		75,760	(75,760)	75,760		75,760	75,760	-	14
Total	5,509,256	6,007,742	(498,486)	266,607	(188,946)	5,775,863	5,818,796	(42,933)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies	280
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	(43,213)
Net differences	(42,933)

B6. "Mongolyn alt MAK" LLC

Brief introduction

Mongolian Gold MAK LLC /MAK/ is owned by 100% Mongolian and extracts gold from Bumbat gold horde in Zaamar soum of Tuv aimag.

The MAK is registered with the Tax Authority of Bayanzukh district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

The MAK's reported of MNT66,217.7 thousand was adjusted since it was VAT.

2. Real estate tax

The government under reported real estate tax amounting to MNT6,698.0 thousand on its initial report. We have made adjustments on it and eliminated the discrepancy.

3. Tax on automobiles and self moving vehicles

We have made adjustments in initial reporting of the government by their understated amounts amounting to MNT756.4 thousand. However, difference remained still unresolved due to the MAK may overstated its off-set amount against other tax payments.

4. Fee for exploitation of mineral resources ("royalty fee")

The government under reported the received amount. We have approached to MAK since the details were difference from the initial reporting. And the respective adjustment was made due to confirmed details from MAK.

5. Licence fee for exploitation and exploration of mineral resources

The discrepancy was due to the Government reported in USD and the MAK reported in MNT. We have adjusted it and foreign currency translation was generally recorded properly.

6. Reimbursement of deposit, exploration of which is carried by the budget fund

The discrepancy was due to foreign currency translation.

7. Land rent fee

The difference has occurred since the government has not reported initially the payment to local government budget. In order to solve the difference, we have requested from the local government tax institution and have received the details and made the adjustment. For example, the information related to capital, Sukhbaatar district, Umnugovi and Dornogovi aimags were missing.

8. Fee for recruiting foreign experts and workers

The discrepancy was solved due to reply of requested detailed information from the government.

9. Fee for use of mineral resources of widespread deposit

The non-reporting of MAK in its initial reporting was approved by the details received afterwards.

10. Charges, and service charges

In order to confirm the MAK reported amount initially, we have sent official letter to related local organisations, however, only received information relating to donation not to charge and service charge, therefore, the difference still remain unresolved.

11. Customs service fee

The MAK has included this fee under Customs tax.

12. Donations to government organisations

The MAK has reported donation amounts given to Special Security Administration of Bogdkhaan Mountain and Customs Committee of Airag soum of Dornogovi aimag. In order to confirm the amount, we have sent letter to respective organisations. The Customs Committee of Airag soum of Dornovogi aimag has noted that such donation was not received, therefore, we have approached to MAK again. The MAK has provided us with official letter that the donation amount was reported mistakenly, so, we adjusted the total amount by MNT2,0 million.

13. In-kind contribution at rate of 50% to environmental special account

The under reporting by the government and over reporting by MAK was confirmed by their respective details.

14. Costs disbursed for protection of the environment

During the reconciliation, we have visited to Environment Resource Department, MOET, and checked every expenditure per each work completed from the “Indications on Environment Information report of mining, and planning” (Form 3), and adjusted differences by confirming with details.

Disclosure:

We sent a confirmation letter requesting the detailed information from MAK on 25th of March, 2010 and received replies on April 5, 2010.

Summary:

The difference could not be resolved since the information sources are unclear, and the amounts which the MAK has reported are too small to confirm with the government reporting.

B7. "Mongolrustvetmet" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	3,897,415	3,729,917	167,498	40,953	208,450	3,938,367	3,938,367	-	
Corporate income tax	1,517,056	1,497,664	19,392		19,392	1,517,056	1,517,056	-	1
Customs tax	700,547	573,558	126,989		126,989	700,547	700,547	-	
Windfall tax	1,560,233	1,614,911	(54,678)		(54,678)	1,560,233	1,560,233	-	2
Real estate tax	1,719	35,200	(33,481)	33,481		35,200	35,200	-	3
Excise tax on imported fuel and lubricants	110,145		110,145		110,145	110,145	110,145	-	
Tax on petrol and diesel fuel	6,603		6,603		6,603	6,603	6,603	-	
Tax on automobile and self moving vehicles	1,113	8,550	(7,437)	7,437		8,550	8,550	-	4
Other taxes in monetary value (1)		34	(34)	34		34	34	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	267,989	2,485,047	(2,217,058)	2,116,727	(100,331)	2,384,716	2,384,716	-	
Fee for exploitation of mineral resources ("royalty fee")	239,566	2,238,983	(1,999,417)	2,043,109	43,692	2,282,675	2,282,675	-	5
Licence fee for exploitation and exploration of mineral resources		157,512	(157,512)		(157,512)	-	-	-	6
Licence fee for exploitation and exploration of mineral resources /in USD/	167		167		167	167	167	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent	3,914	25,437	(21,523)	21,523		25,437	25,437	-	7
Fee for water use	11,021	63,115	(52,094)	52,094		63,115	63,115	-	7
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	13,322		13,322		13,322	13,322	13,322	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	17,132	-	17,132	-	17,132	17,132	17,132	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	

B7. "Mongolrustvetmet" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	17,132		17,132			17,132	17,132	-	8
4. Dividends on state and local property	-	-	-				-	-	-
Dividends on state property		-	-				-	-	-
Dividends on local property		-	-				-	-	-
5. Other payments to recipient government	-	-	-				-	-	-
Entitlement under Production Sharing Contract with the government			-				-	-	-
Other			-				-	-	-
6. Donations to Governmental organisations	-	39,070	(39,070)	680	-	680	39,070	(38,390)	
Monetary donation from business entity to ministries and agencies		3,786	(3,786)				3,786	(3,786)	9
Monetary donation from business entity to aimag			-				-	-	9
Monetary donation from business entity to soums		25,728	(25,728)				25,728	(25,728)	9
Monetary donation from business entity to local organisations		7,456	(7,456)	680		680	7,456	(6,776)	9
Funds disbursed by company in sustainable development and community relations		2,100	(2,100)				2,100	(2,100)	9
7. Costs disbursed for protection of the environment	372,600	1,181,399	(808,799)	(46,263)	-	326,337	1,181,399	(855,062)	
In kind contribution at rate of 50% to environmental special account	51,400	5,137	46,263	(46,263)		5,137	5,137	-	10
Costs disbursed for protection of the environment	321,200	1,176,262	(855,062)			321,200	1,176,262	(855,062)	11
Total	4,555,136	7,435,433	(2,880,297)	2,112,097	125,251	6,667,232	7,560,684	(893,452)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(893,452)

Net differences

(893,452)

B7. "Mongolrustvetmet" LLC

Brief introduction

Mongolrustsevetmet LLC /MRTS/ is a joint venture company, 51% held by Government of Mongolia and 49% by Government of Russia.

The Company is exploiting 5 spar, 2 gold and 1 coal deposits in Khentii, Dornogobi and Dundgobi aimags.

The Company is registered with the MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The difference was due to the Company understated the tax in report. We have made adjustments based on detailed information from both the Company and Government.

2. Windfall tax

The difference was due to the Company recorded amounting to MNT54,678 thousand, which was reported as doubled. We have noticed it after checking the details.

3. Real estate tax

The Real estate tax transferred to Local administration paid by company was understated in the Government report. With the assistance of MTA, we have approached to local tax governments and adjusted the amount based on the received replies from the local government organisations.

4. Tax on automobiles and self moving vehicles

The Tax on automobile and self moving vehicles transferred to Local administration paid by the company was understated in the Government report. With the assistance of MTA, we have approached to local tax governments and adjusted the amount based on the received replies from the local government organisations.

5. Fee for exploitation of mineral resources ("royalty fee")

The initial amount reported by MTA increased by MNT55.0 million by its detailed information. The differences were due to the Company did not consider under/overpayment in its reporting. Also the MTA has not reported fee for spar resources that transferred to Khentii aimag from the Company. With the assistance of MTA, we have approached to local tax governments and adjusted the amount based on the received replies from the local government organisations.

6. Licence fee for exploitation and exploration of mineral resources

The difference was due to the Government reported in USD and the company reported in MNT. We have reviewed translation of fee from USD to MNT and adjusted the difference.

7. Land rent fee, Fee for water use

Initially, the land rent fee and fee for water use which are paid by company was understated in the Government report. With the assistance of MTA, we have approached to local tax governments and adjusted the amount based on the received replies from the local government organisations.

8. Customs service fee

In the initial reporting, the company did not report Customs service fee. The company reported Customs fee on imported goods by their detailed information. The difference was due to the Company did not report Customs fee on exported goods.

9. Donations to Governmental organisations

The Company has reported total donation of MNT38,390 thousand as given to government organisation, monetary donations to aimags, soums and to sustainable development and community. We have confirmed only MNT680 thousand, the remaining amount remain unresolved.

10. In-kind contribution at rate of 50% to environmental special account

The Company reported amounting to MNT5,137 thousand was cumulated in special account and the Government reported amounting to MNT51,400 thousand. It was observed that the Government made mechanical errors and we have adjusted the difference.

11. Costs disbursed for protection of the environment

The Government reported MNT310,200 thousand and the Company reported MNT1,176,262 thousand. The difference MNT855,062 thousand remained as unresolved.

Disclosure:

We sent official letter to company on March 25, 2010. And sent also the official letter to state and budget organisations on April 29, 2010 to clarify donation amount by receiving detailed information of the government from the respective organisations, following-up on the phone and contacting with local tax organisations with assistance of the MTA receiving details and related supporting documents.

Summary:

For this company there is no unresolved difference except, costs disbursed for environment protection, which could not be confirmed since the amount is not real.

B8. "Shijir alt" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	3,845,522	3,931,777	(86,255)	-	(86,255)	3,845,522	3,845,522	-	
Corporate income tax	755,610	712,610	43,000		43,000	755,610	755,610	-	1
Customs tax	87,683	205,459	(117,777)		(117,777)	87,683	87,683	-	2
Windfall tax	2,989,429	2,989,429	-		-	2,989,429	2,989,429	-	
Real estate tax	10,372	21,981	(11,609)		(11,609)	10,372	10,372	-	3
Excise tax on imported fuel and lubricants			-					-	-
Tax on petrol and diesel fuel			-					-	-
Tax on automobile and self moving vehicles	2,428	2,298	130		130	2,428	2,428	-	4
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	659,112	796,206	(137,094)	158,754	21,660	817,866	817,866	-	
Fee for exploitation of mineral resources ("royalty fee")	523,858	682,612	(158,754)	158,754	-	682,612	682,612	-	5
Licence fee for exploitation and exploration of mineral resources		12,391	(12,391)		(12,391)			-	6
Licence fee for exploitation and exploration of mineral resources /in USD/	11		11		11	11	11	-	6
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent	5,504	5,504	-			5,504	5,504	-	
Fee for water use	60,000	74,577	(14,577)		(14,577)	60,000	60,000	-	7
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers	69,739	21,122	48,617		48,617	69,739	69,739	-	8
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	401	205,459	(205,059)	-	(205,059)	401	401	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	156		156		156	156	156	-	9
Service charges paid to state and local administration in accordance with relevant law			-					-	

B8. "Shijir alt" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	245	205,459	(205,215)		(205,215)	245	245	-	10
4. Dividends on state and local property	-	71,176	(71,176)		(71,176)	-	-	-	
Dividends on state property		71,176	(71,176)		(71,176)		-	-	
Dividends on local property		-	-					-	11
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	10,000	(10,000)	15,000	5,000	15,000	15,000	-	
Monetary donation from business entity to ministries and agencies		3,000	(3,000)		(3,000)		-	-	12
Monetary donation from business entity to aimag			-	10,000	10,000	10,000	10,000	-	12
Monetary donation from business entity to soums		5,000	(5,000)	5,000		5,000	5,000	-	12
Monetary donation from business entity to local organisations			-					-	
Funds disbursed by company in sustainable development and community relations		2,000	(2,000)		(2,000)		-	-	12
7. Costs disbursed for protection of the environment	4,720	36,365	(31,645)	43,635	11,990	48,355	48,355	-	
In kind contribution at rate of 50% to environmental special account	4,000	4,000	-			4,000	4,000	-	
Costs disbursed for protection of the environment	720	32,365	(31,645)	43,635	11,990	44,355	44,355	-	13
Total	4,509,755	5,050,983	(541,228)	217,389	(323,839)	4,727,144	4,727,144	-	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

Net differences

B8. "Shijir alt" LLC

Brief introduction

The Shijir Alt /SA/ LLC is a Mongolian company and operates its activities and exploits gold from Zaamar soum of Tuv aimag and Buregkhangai soum of Bulgan aimag.

The SA is registered with Department of large taxpayers of MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

We have made adjustments in initial reporting of the SA by their understated amounts of MNT43,000 thousand paid in September 1, 2008.

2. Customs tax

The difference was due to the SA reported Customs tax including VAT on imported goods and it remained as unresolved.

3. Real estate tax

We have made adjustments in initial reporting of the SA by their overstated amount of MNT11,608.7 thousand.

4. Tax on automobiles and self moving vehicles

We have made adjustments in initial reporting of the SA by their understated total amount of MNT130.0 thousand that included amounting to MNT99.6 thousand paid by SA in 22nd of April, 2008 and amounting to MNT30.4 thousand in 8th of July, 2008. The amounts were confirmed by the SA detailed information.

5. Fee for exploitation of mineral resources ("royalty fee")

We have made adjustments in initial reporting of the MTA by their understated amount of MNT158,754.3 thousand. The amount was confirmed by detailed information from MTA and the SA.

6. Licence fee for exploitation and exploration of mineral resources

The Company reported in MNT that paid in USD. The MTA reported in row line for Licence fee in USD. The difference was adjusted.

7. Fee for water use

The fee for water use totaling to MNT14,577.0 thousand includes amounting to MNT2,400.00 thousand (paid in 28th of January) and amounting to MNT12,177.0 thousand (paid in 19th of March). We have adjusted the reported amount decreasing by these amounts.

8. Fee for recruiting foreign experts and workers:

We have made adjustments in initial reporting of the SHG by their understated amounting to MNT48,617.2 thousand. The amount was confirmed by detailed information from SHG.

9. Charge, service charges

The SA has not report stamp charges incurred in 17th of December, 2008 amounting to MNT156.0 thousand that transferred to Bulgan aimag. And it was adjusted.

10. Customs service fee

The SA has reported Customs tax that included Customs service fee. The difference was adjusted.

11. Dividends on state property

The company's initial reporting was adjusted since the amount could be confirmed with the detailed information.

12. Donations to Governmental organisations

The SA has reported monetary donations to aimags as donations to Ministries and Agencies. It was confirmed by detailed information from the SA and Governor of Bulgan aimag. Therefore, we made adjustments.

Monetary donation from business entity to soums:

We sent a confirmation letter to Governor of Buregkhangai soum of Bulgan aimag and the Governor confirmed that the donations were received by them. We have made adjustments on information provided by the Governor.

Funds disbursed by company in sustainable development and community relations:

The SA has reported by payment to MMNA for membership fee. We have made adjustments on it by deducting the amount.

13. Costs disbursed for protection of the environment

We have made adjustments by understated amount MNT11,990.2 thousand of the SA (payment made in 7th of January to "Ons" LLC for expenditure incurred in relation to environmental renovation). During the reconciliation, we have visited to Environment Resource Department, MOET, and checked every expenditure per each work completed from the "Indications on Environment Information report of mining, and planning" (Form 3), and adjusted differences by confirming with details.

Disclosure:

We sent a confirmation letter requesting the detailed information from MAK on 25th of March, 2010 and received replies on April 12, 2010.

Summary:

For this company, there is no unresolved difference with regards of cost disbursed for environment protection since the prepared figures by the company geologists and engineer technical staffs are confirmed with the actual expenditure amounts.

B9. "Chinkhua MAK nariin sukhait" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	1,885,146	2,114,818	(229,672)	1,176	(228,495)	1,886,322	1,886,322	-	
Corporate income tax	1,747,684	1,240,504	507,179		507,179	1,747,684	1,747,684	-	1
Customs tax	110,601	339,429	(228,829)		(228,829)	110,601	110,601	-	2
Windfall tax			-					-	
Real estate tax	24,366	25,209	(843)	1,176.3	333.3	25,542	25,542	-	3
Excise tax on imported fuel and lubricants	181	181	-		-	181	181	-	
Tax on petrol and diesel fuel	22	22	-			22	22	-	
Tax on automobile and self moving vehicles	2,293	2,293	-			2,293	2,293	-	
Other taxes in monetary value (1)		507,179	(507,179)		(507,179)			-	4
Other taxes in monetary value (2)			-					-	
2. Fees	976,944	931,089	45,855	(47,036)	(1,181)	929,908	929,908	-	
Fee for exploitation of mineral resources ("royalty fee")	959,654	889,290	70,364	(70,364.0)		889,290	889,290	-	5
Licence fee for exploitation and exploration of mineral resources			-					-	
Licence fee for exploitation and exploration of mineral resources /in USD/			-					-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent	11,998	11,998	-			11,998	11,998	-	
Fee for water use	432	432	-			432	432	-	
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers		24,509	(24,509)	23,328.0	(1,181.0)	23,328	23,328	-	6
Fee for use of mineral resources of widespread deposit	4,860	4,860	-			4,860	4,860	-	
Other			-					-	
3. Charges and service charges	1,121,899	1,311,589	(189,690)	-	(69,329)	1,121,899	1,242,260	(120,361)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law		24,340	(24,340)		2,670		27,009	(27,009)	7

B9. "Chinkhua MAK nariin sukhait" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Service charges paid to state and local administration in accordance with relevant law		208,175	(208,175)		(114,823)		93,352	(93,352)	7
Custom service fee	1,121,899	1,079,074	42,825		42,825	1,121,899	1,121,899	-	8
4. Dividends on state and local property	262,134	-	262,134		262,134	262,134	262,134	-	
Dividends on state property	262,134		262,134		262,134	262,134	262,134	-	9
Dividends on local property		-	-					-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	542,055	(542,055)	3,438,181	2,896,126	3,438,181	3,438,181	-	
Monetary donation from business entity to ministries and agencies		3,000	(3,000)	3,000		3,000	3,000	-	10
Monetary donation from business entity to aimag		6,500	(6,500)	6,500		6,500	6,500	-	10
Monetary donation from business entity to soums		32,555	(32,555)	32,523	(32)	32,523	32,523	-	10
Monetary donation from business entity to local organisations			-			-		-	
Funds disbursed by company in sustainable development and community relations		500,000	(500,000)	3,396,158	2,896,158	3,396,158	3,396,158	-	10
7. Costs disbursed for protection of the environment	-	89,400	(89,400)	45,868	(43,532)	45,868	45,868	-	
In kind contribution at rate of 50% to environmental special account		12,000	(12,000)		(12,000)		-	-	11
Costs disbursed for protection of the environment		77,400	(77,400)	45,868	(31,532)	45,868	45,868	-	12
Total	4,246,123	4,988,951	(742,827)	3,438,190	2,815,723	7,684,313	7,804,674	(120,361)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

Payments reported by companies which exceed the corresponding receipts reported by Government Entities (120,361)

Net differences (120,361)

B9. "Chinkhua MAK nariin sukhait" LLC

Brief introduction

Chinkhua MAK nariin sukhait LLC is a China joint venture, 50% held by Chin Hua Group of China and another 50% by Mongolian Gold MAK LLC.

The Company exploits coal from Gurvan Tes soum of Umngobi aimag and exported to China.

The Company is registered with the MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

Corporate income taxes withheld from income from dividends and VAT returns were reported in other taxes.

2. Customs tax

The Company included VAT for imported goods and Customs service fee into Customs tax by its initial report.

3. Real estate tax

The Government and Company both has under reported real estate tax amounting to MNT1,176.3 thousand. The adjustment was made by deducting MNT840.0 thousand, which the Company has paid on selling of fixed asset.

4. Other

Under this part, the Company has reported dividend and VAT returns.

5. Fee for exploitation of mineral resources ("royalty fee")

The government over stated amount was approved by the detailed information.

6. Fee for recruiting foreign experts and workers

The Government did not report fee paid by the Company on its initial report. The LWSA provided detailed information regarding the fee. The Company included service charges to LWSA and invitation cost into the fee on its initial report. We have decreased by the amount and adjusted reported amount by the Company.

7. Charge, service charges

The Company confirmed the payment of MNT2,670.0 thousand paid for the stamp and other charge by its detailed information. And the company has overstated its service charge amount.

8. Customs service fee

The Company reported this customs service fee under Custom tax.

9. Dividends on state property

The Company did not report its distributed dividends and however, approved on its detailed information.

10. Donations to Governmental organisations

Monetary donations to Ministries and Agencies

We sent a letter to confirm donation for meeting cost amounting to MNT3,000.0 thousand that organised in December 22, 2008 to MRAM from the Company and have received a reply and adjusted the amount.

Monetary donation from business entity to aimags:

We sent a letter to confirm company's reported amount to aimags and recipient government organisation and have made adjustments based on detailed information received from Standardization and Measurement centre of Umnugobi aimag, Governor of Umnugovi aimag and Mongolian National Chamber of Commerce and Industry.

Monetary donation from business entity to soums:

The company confirmed monetary donations to Sevrei, Noyon, Gurvantes, Class#0166 of Border Military by its detailed information. All the donations were confirmed and adjusted since there were replies from the respective organisations confirming the donation amounts.

Funds disbursed by company in sustainable development and community relations:

The company has reported initially amount of MNT3,396,157.9 thousand as donation for maintenance for Culture centreof Gurvan tes soum of Umnugobi aimag and monetary donations for road construction work to Border port of Shivee huren. We sent letters to Governor of Umnugobi to confirm the company reported amount. Culture centreof Gurvan tes soum confirmed the donations and the Mr.Otgonbayar, Development policy department office of Aimag administration, informed us that donations for road construction work to Border port was received and its expenditures and work completion are at 70% currently.

11. In-kind contribution at rate of 50% to environmental special account

The Company did not confirm its initial amount by detailed information.

12. Costs disbursed for protection of the environment

Based on detailed information, costs spent for fire elimination, purchase of labor security uniform, employers' health inspection and purchase of car cover was deducted from the initially reported amount, and the remaining amount which is related to "Indications on Environment Information report of mining, and planning" (Form 3) confirmed by matching with the financial statement amounts, so, was adjusted differences.

Disclosure:

We sent a confirmation letter requesting the detailed information from the company on 25th of March, 2010 and received replies on April 12, 2010.

Summary:

For this company, there is no unresolved difference with regards of cost disbursed for environment protection since the prepared figures by the company geologists and engineer technical staffs are confirmed with the actual expenditure amounts. However, charge, service charges amount is not confirmed since the company paid amount is too small individually and the government sources are not clear enough to look at even if there was reply from the government regarding this amount.

B10. "Gatsuurt" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	1,037,996	2,841,871	(1,803,875)	14,278	(1,789,598)	1,052,274	1,052,274	-	
Corporate income tax		2,407	(2,407)	2,407		2,407	2,407	-	1
Customs tax	460,765	472,940	(12,175)		(12,175)	460,765	460,765	-	2
Windfall tax	564,817	2,344,994	(1,780,177)		(1,780,177)	564,817	564,817	-	3
Real estate tax	2,349		2,349		2,349	2,349	2,349	-	4
Excise tax on imported fuel and lubricants	405		405		405	405	405	-	5
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles	9,660	21,531	(11,871)	11,871		21,531	21,531	-	6
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	523,780	686,004	(162,224)	150,004	(12,220)	673,783	673,783	-	
Fee for exploitation of mineral resources ("royalty fee")	284,172	403,111	(118,938)	118,938		403,111	403,111	-	7
Licence fee for exploitation and exploration of mineral resources		243,611	(243,611)		(243,611)			-	8
Licence fee for exploitation and exploration of mineral resources /in USD/	195		195		195	195	195	-	8
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent	2,948	10,064	(7,116)	7,116		10,064	10,064	-	9
Fee for water use	268	29,218	(28,950)	23,950	(5,000)	24,218	24,218	-	10
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers	236,195		236,195		236,195	236,195	236,195	-	11
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	5,266	-	5,266	-	5,266	5,266	5,266	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant law			-					-	

B10. "Gatsuurt" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	5,266		5,266			5,266	5,266	5,266	- 12
4. Dividends on state and local property	-	-	-			-	-	-	-
Dividends on state property			-			-	-	-	-
Dividends on local property		-	-					-	-
5. Other payments to recipient government	-	-	-			-	-	-	-
Entitlement under Production Sharing Contract with the government			-			-	-	-	-
Other			-			-	-	-	-
6. Donations to Governmental organisations	-	42,000	(42,000)	42,000	-	42,000	42,000	-	-
Monetary donation from business entity to ministries and agencies		42,000	(42,000)	41,500	(500)	41,500	41,500	-	13
Monetary donation from business entity to aimag			-					-	-
Monetary donation from business entity to soums			-					-	-
Monetary donation from business entity to local organisations			-	500	500	500	500	-	13
Funds disbursed by company in sustainable development and community relations			-					-	-
7. Costs disbursed for protection of the environment	982,900	12,784	970,116	(981,666)	(11,550)	1,234	1,234	-	-
In kind contribution at rate of 50% to environmental special account	1,200	12,784	(11,584)	34	(11,550)	1,234	1,234	-	14
Costs disbursed for protection of the environment	981,700		981,700	(981,700)		-	-	-	15
Total	2,549,941	3,582,659	(1,032,717)	(775,385)	(1,808,102)	1,774,557	1,774,557	-	-

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

Net differences

B10. "Gatsuurt" SC

Brief introduction

Gatsuurt LLC is 100% Mongolian company and operates gold mining in Bat-Ulziit soum of Uvurhangai aimag, Hongor soum of Darhan-Uul aimag and Yruu soum of Selenge aimag.

The Company is registered with the MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The MTA did not report corporate income tax on its initial report and reported it on its detailed information.

2. Customs tax

The reported Customs tax that included VAT for custom and fee to intermediary organisations on its initial report.

3. Windfall tax

Detailed information from both the Company and MTA was matched with each other and The Company reported amount was greater than MTA reported amount.

4. Real estate tax

The company did not report by its initial reportings and reported the amount on its detailed information.

5. Excise tax on imported fuel and lubricants

The company did not report by its initial reportings and reported the amount on its detailed information.

6. Tax on automobiles and self moving vehicles

The company did not report by its initial reportings and reported the amount on its detailed information.

7. Fee for exploitation of mineral resources ("royalty fee")

The company did not report by its initial reportings and reported the amount on its detailed information.

8. Licence fee for exploitation and exploration of mineral resources

The Company has reported in MNT; however, the government has reported in USD. The adjustments were made since the detailed information are matched.

9. Land rent fee

The government has not reported payment made to Uvurkhangai tax institution initially. We have received detailed information from the Uvurkhangai tax institution confirming the receipt of the payment, so the adjustment was made.

10. Fee for water use

The government has not reported payments made to Bat-Ulzii soum of Uvurkhangai and Selenge aimag tax institutions initially. We have received detailed informations from the respective tax institutions confirming the receipt of the payment, so the adjustment was made.

11. Fee for recruiting foreign experts and workers

The company has not reported this amount initially, however, re-reported on its detailed information sent during our reconciliation work.

12. Customs service fee

The Company reported Customs tax that included taxes and charges to Custom organisation and it was not possible to separate the taxes and charges. We have adjusted based on information received from MCO.

13. Donations to Governmental organisations

The Company reported donations to Hospital of Uvurhangai aimag in the item. We adjusted it by changing to monetary donations to Local organisations. Also the company has made donations of MNT30.0 million for religious activity and MNT10.0 million for construction. In order to confirm the amounts, we have sent letters to respective organisations and received reply noting that donation of MNT50.0 million was noted actually. By further checking, we have noticed that the Company director has donated personally; therefore, we have adjusted by deducting MNT20.0 million and adjusted by MNT30.0 million.

Donations to Governmental organisations:

The company has reported initially its donation given to local government organisations under donations given to ministries and agencies, we have made the adjustments.

14. In-kind contribution at rate of 50% to environmental special account

The Company reported on its initial report overstated and detailed information was provided by the Company.

15. Costs disbursed for protection of the environment

The current accountant of the Company is newly employed and has not prepared the EITI template. Therefore, figures in the template are not consisted with the financial statement figures and not confirmed. Also, figures of the environment resource report prepared by the Company geologist are not in consistence with the Company's financial statements and other financial information. Therefore, we have deducted them.

Disclosure:

We sent a confirmation letter that requested detailed information to company regarding reported amounts in 25th of March, 2010 and received replies from the Company in April 29, 2010.

Summary:

For this company, all the differences are adjusted and there is no any unresolved difference.

B11. "Monopolimet" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	1,280,766	-	1,280,766	1,817	1,282,583	1,282,583	1,282,583	-	
Corporate income tax			-					-	
Customs tax	61,039		61,039		61,039	61,039	61,039	-	1
Windfall tax	1,208,762		1,208,762		1,208,762	1,208,762	1,208,762	-	2
Real estate tax	606		606		606	606	606	-	3
Excise tax on imported fuel and lubricants	10,359		10,359		10,359	10,359	10,359	-	4
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles			-	1,817	1,817	1,817	1,817	-	5
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	557,800	-	557,800	323,522	881,321	881,321	881,321	-	
Fee for exploitation of mineral resources ("royalty fee")	534,817		534,817	211,784	746,600	746,600	746,600	-	6
Licence fee for exploitation and exploration of mineral resources			-					-	
Licence fee for exploitation and exploration of mineral resources /in USD/	23		23		23	23	23	-	7
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent			-	16,672	16,672	16,672	16,672	-	8
Fee for water use			-	95,066	95,066	95,066	95,066	-	9
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers	22,960		22,960		22,960	22,960	22,960	-	10
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	182	-	182	-	182	182	182	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant law			-					-	

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	182		182		182	182	182	-	11
4. Dividends on state and local property	-	-	-		-	-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-					-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	-	-	-	-	-	-	-	
Monetary donation from business entity to ministries and agencies						-	-	-	
Monetary donation from business entity to aimag			-					-	
Monetary donation from business entity to soums			-					-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-					-	
7. Costs disbursed for protection of the environment	444,800	-	444,800	(422,200)	22,600	22,600	22,600	-	
In kind contribution at rate of 50% to environmental special account			-				-	-	
Costs disbursed for protection of the environment	444,800		444,800	(422,200)	22,600	22,600	22,600	-	12
Total	2,283,547	-	2,283,547	(96,861)	2,186,686	2,186,686	2,186,686	-	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

Net differences

B11. "Monpolimet" LLC

Brief introduction

Monpolimet LLC is private company and operates its activities in Tuv and Selenge aimags. The Company is registered with the Tax Authority of Bayanzurh district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

The Company reported Customs tax that included VAT to custom organisation and customs service fee.

2. Windfall tax

The Company did not submit Template #1 for the year 2008 to MEITIS and submitted the report only in process of our review.

3. Real estate tax

The Company did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review. The Company reported that the tax was paid; however, the detailed information was not provided us by the Company.

4. Excise tax on imported fuel and lubricants

The Company did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review. The Company reported that the tax was paid; however, the amount was reported under Customs tax.

5. Tax on automobiles and self moving vehicles

The government did not report by its initial reportings and provided us detailed information. The Company did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review. The Company reported that the tax was paid.

6. Fee for exploitation of mineral resources ("royalty fee")

The Company did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review. The Company reported that the fee was paid.

7. Licence fee for exploitation and exploration of mineral resources /in USD/

The Company did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review. The Company reported that the fee was paid.

8. Land rent fee

The government did not report by its initial report and detailed information.

The Company did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review. The Company reported that the fee was paid; however detailed information was not provided. The adjustment was made after receiving information from tax institutions of Tuv and Bulgan aimags since the payments are made to these aimags.

9. Fee for water use

The government did not report by its initial report and detailed information.

The Company did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review. The Company reported that the fee was paid; however detailed information was not provided. The adjustment was made after receiving information from tax institutions of Tuv and Bulgan aimags since the payments are made to these aimags.

10. Fee for recruiting foreign experts and workers

The government has reported and confirmed it by detailed information. The difference was solved due to the company detailed information.

11. Customs service fee

The Company did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review. The Company reported that the fee was paid;

12. Costs disbursed for protection of the environment

By additional information from the government, amount of MNT22.6 million was reported. Also the company has provided its information that the cost disbursed for environment protection was spent.

Disclosure:

We sent a confirmation letter that requested detailed information to company regarding reported amounts in 25th of March, 2010 and received replies from the Company in April 22, 2010.

Summary:

For this company, all the differences are adjusted and there is no any unresolved difference.

B12. "Engui tal" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	-	-	-	-	-	-	-	-	
Corporate income tax			-					-	
Customs tax			-			-	-	-	
Windfall tax			-			-	-	-	
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles			-			-	-	-	
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	1,985,734	-	1,985,734	(1)	1,985,733	1,985,733	1,985,733	-	
Fee for exploitation of mineral resources ("royalty fee")			-					-	
Licence fee for exploitation and exploration of mineral resources			-					-	
Licence fee for exploitation and exploration of mineral resources /in USD/	15		15	(1)	14	14	14	-	1
Reimbursement of deposit, exploration of which is carried by the budget fund	1,985,719		1,985,719		1,985,719	1,985,719	1,985,719	-	2
Land rent			-					-	
Fee for water use			-					-	
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers			-			-		-	
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	-	-	-	-	-	-	-	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant law			-					-	

B12. "Engui tal" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee			-			-	-	-	
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-					-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	-	-	7,000	7,000	7,000	7,000	-	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag			-					-	
Monetary donation from business entity to soums			-	7,000	7,000	7,000	7,000	-	3
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-					-	
7. Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	
In kind contribution at rate of 50% to environmental special account			-			-	-	-	
Costs disbursed for protection of the environment			-			-	-	-	
Total	1,985,734	-	1,985,734	6,999	1,992,733	1,992,733	1,992,733	-	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

Net differences

B12. "Engui tal" LLC

Engui tal LLC is a private company and exploits coal from Shinejinst soum of Bayanhongor aimag, and Dariganga and Ongon soum of Suhbaatar aimag.

The ET registered with the Tax Authority of Khan-Uul district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Licence fee for exploitation and exploration of mineral resources /in USD/

The ET did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review.

2. Reimbursement of deposit, exploration of which is carried by the budget fund

The ET did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review. The Company reported that the reimbursement was paid.

3. Donations to Governmental organisations

The ET did not submit Template #1 for the year 2008 to MEITIS and submitted the report in process of our review. And the company has reported donations given to Shinejinst soum of Bayankhongor aimag, Dariganga and Ongon soums of Suhbaatar aimag. In order to confirm the amount, we have sent letters to governors of the respective soums, and received replies. And adjustments were made.

The Company reported that the reimbursement was paid.

Disclosure:

We sent a confirmation letter that requested detailed information to company regarding reported amounts in 25th of March, 2010 and received replies from the Company in April 19, 2010.

Summary:

For this company, all the differences are adjusted and there is no any unresolved difference.

B13. "Ivanhoe mines mongolia inc" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	828,983	1,843,918	(1,014,935)	114,325	(900,610)	943,308	943,308	-	
Corporate income tax	19,063		19,063	112,502	131,565	131,565	131,565	-	1
Customs tax	729,689	969,237	(239,548)		(239,548)	729,689	729,689	-	2
Windfall tax			-					-	
Real estate tax	67,894	67,894	-		0	67,894	67,894	-	
Excise tax on imported fuel and lubricants			-					-	
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles	12,338	13,208	(871)	1,823	952	14,160	14,160	-	3
Other taxes in monetary value (1)		793,579	(793,579)		(793,579)			-	4
Other taxes in monetary value (2)			-					-	
2. Fees	336,176	2,772,747	(2,436,571)	298	(2,436,273)	336,474	336,474	-	
Fee for exploitation of mineral resources ("royalty fee")			-					-	
Licence fee for exploitation and exploration of mineral resources		2,416,823	(2,416,823)		(2,416,823)			-	5
Licence fee for exploitation and exploration of mineral resources /in USD/	2,177		2,177	142	2,319	2,319	2,319	-	5
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent	248,822	248,222	600		600	248,822	248,822	-	6
Fee for water use	1,924	262	1,662	156	1,817	2,079	2,079	-	7
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers	83,254	107,440	(24,186)		(24,186)	83,254	83,254	-	8
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	10,136	113,245	(103,109)	762	10,136	10,899	123,381	(112,482)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law		10,059	(10,059)				10,059	(10,059)	9
Service charges paid to state and local administration in accordance with relevant law		103,186	(103,186)	762	-	762	103,186	(102,423)	9

B13. "Ivanhoe mines mongolia inc" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	10,136		10,136			10,136	10,136	-	10
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property			-					-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	436,000	510,282	(74,282)	74,282		510,282	510,282	-	
Monetary donation from business entity to ministries and agencies			-			-		-	
Monetary donation from business entity to aimag	373,500.0	373,542.0	(42.0)	42		373,542.0	373,542.0	-	11
Monetary donation from business entity to soums	62,500.0	62,478.0	22.0	(22)	-	62,478	62,478	-	11
Monetary donation from business entity to local organisations		70,277.0	(70,277.0)	74,261	3,984	74,261	74,261	-	11
Funds disbursed by company in sustainable development and community relations		3,985.0	(3,985.0)		(3,985)	-	-	-	11
7. Costs disbursed for protection of the environment	-	21,554	(21,554)	879	(6,347)	879	15,207	(14,329)	
In kind contribution at rate of 50% to environmental special account		6,479	(6,479)	879	(5,600)	879	879	-	12
Costs disbursed for protection of the environment		15,075	(15,075)		(746)		14,329	(14,329)	13
Total	1,611,296	5,261,746	(3,650,450)	190,545	(3,333,094)	1,801,841	1,928,652	(126,811)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

Payments reported by companies which exceed the corresponding receipts reported by Government Entities (126,811)

Net differences (126,811)

B13. "Ivanhoe mines Mongolia Inc" JSC

Brief introduction

The Ivanhoe Mines Mongolia Inc LLC is a 100% Canadian invested company and exploits and explores gold and copper in Khanbogd soum of Umnugobi aimag which is one of the huge deposits of the world. The Ivanhoe mines is registered with the MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The MTA and the Ivanhoe mines reported the amount understated on their initial reports. The difference was confirmed by their detailed information.

2. Customs tax

The Ivanhoe mines reported Customs tax that included VAT to custom organisationa and expenditures occurred in relation to custom.

3. Tax on automobiles and self moving vehicles

The MTA and Ivanhoe mines reported the amount understated on their initial reports. The difference was confirmed by their detailed information.

4. Other

The company has reported taxes such as PIT amounting to MNT774,515.5 thousand and remaining MNT19,063.4 thousand was CIT.

5. Licence fee for exploitation and exploration of mineral resources

The Company reported in MNT that paid in USD. The MTA reported in row line for Licence fee in USD. The difference was adjusted.

6. Land rent fee

The Ivanhoe mines understated the land rent fee on its initial report.

7. Fee for water use

The MTA did not report fee of MNT155.6 thousand (paid in July 8, 2008) to Governor of Khanbogd soum of Umnugobi aimag. The Ivanhoe mines understated the fee on its initial report and adjusted it by its detailed information.

8. Fee for recruiting foreign experts and workers

The Ivanhoe mines reported charge for labor certification and refund amount for workers who went back to their country before the visa expiration.

9. Charge, service charges

We sent letter to related Government organisations to confirm the Ivanhoe mines reported amount. However, the Government organisations replied to us regarding only donations and did not provide detailed information for charges and service charges. The difference remained as unresolved differences.

10. Customs service fee

The Ivanhoe mines reported the fee in Customs tax

11. Donations to Governmental organisations

In order to confirm the donation amounts given to Governor office, Health department and Education department of Umnugovi aimag, we have sent letter and have made respective adjustments based on the received reply and difference was solved.

Monetary donation from business entity to soums:

We sent letter to confirm company reported amount to Governors of Manlai, Khanbogd, and Bayan-Ovoo soums of Umnugobi aimag and made adjustments based on Governors' amount.

Monetary donation from business entity to local governments:

The Ivanhoe reported that they donated to buy emergency vehicle to hospital of Khanbogd soum. The Governor confirmed the donations. The company has reported MNT 3,984.6 thousand as donation given to funds disbursed by company in sustainable development and community relations and sent the detailed information. We have checked the detailed information and we noticed that computer donated to school and monetary donations were given to local government organisations, so we have made the adjustments.

12. In-kind contribution at rate of 50% to environmental special account

Out of the detailed information, we have noticed that the Company has reported centralized amount in year 2007 into 2008 reporting. That's why, the company reporting was overstated.

13. Costs disbursed for protection of the environment

The Ivanhoe mines reported fee for water use to Centrefor Water saving as expenditure related to environmental protection. The remained differences were not cleared due to the expenditure amounts are consolidated from many sources and the Government could not confirm the amount.

Disclosure:

We sent a confirmation letter that requested detailed information to company regarding reported amounts in 25th of March, 2010 and received replies from the Company in April 14, 2010.

Summary:

Most of the unresolved difference is related to various types of charges, service charge, expenditures for the environment protection. We have noted about the difficulties for resolving the differences related to various types of charges, service charge, expenditures for the environment protection.

B14. "Ankhai international" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	833,504	835,717	(2,212)	1,258	(955)	834,762	834,762	-	
Corporate income tax	757,439	759,199	(1,760)	1,229	(531)	758,668	758,668	-	1
Customs tax	74,100	74,523	(423)		(423)	74,100	74,100	-	2
Windfall tax			-					-	
Real estate tax			-					-	
Excise tax on imported fuel and lubricants			-					-	
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles	1,966	1,994	(29)	29		1,994	1,994	-	
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	476,280	537,835	(61,554)	56,254	(5,300)	532,535	532,535	-	
Fee for exploitation of mineral resources ("royalty fee")	475,272	485,967	(10,696)	10,696		485,967	485,967	-	3
Licence fee for exploitation and exploration of mineral resources		5,305	(5,305)		(5,305)		-	-	4
Licence fee for exploitation and exploration of mineral resources /in USD/	9		9	(4)	5	5	5	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent		4,832	(4,832)	4,832		4,832	4,832	-	5
Fee for water use	1,000	1,000	-			1,000	1,000	-	
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers		40,731	(40,731)	40,731		40,731	40,731	-	6
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	13,514	264	13,249	-	13,249	13,514	13,514	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant law			-					-	

B14. "Ankhai international" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	13,514	264	13,249			13,249	13,514	13,514	- 7
4. Dividends on state and local property	-	-	-			-	-	-	-
Dividends on state property			-			-	-	-	-
Dividends on local property			-						-
5. Other payments to recipient government	-	-	-			-	-	-	-
Entitlement under Production Sharing Contract with the government			-			-	-	-	-
Other			-			-	-	-	-
6. Donations to Governmental organisations	-	24,040	(24,040)	24,040	-	24,040	24,040	-	-
Monetary donation from business entity to ministries and agencies			-						-
Monetary donation from business entity to aimag			-						-
Monetary donation from business entity to soums			-	24,040	24,040	24,040	24,040	-	8
Monetary donation from business entity to local organisations			-						-
Funds disbursed by company in sustainable development and community relations		24,040	(24,040)		(24,040)	-	-	-	8
7. Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account			-			-	-	-	-
Costs disbursed for protection of the environment			-					-	-
Total	1,323,298	1,397,855	(74,557)	81,552	6,995	1,404,850	1,404,850	-	-

Receipts reported by Government Entities which exceed the corresponding payments reported by companies -

Payments reported by companies which exceed the corresponding receipts reported by Government Entities -

Net differences -

B14. "Ankhai international" LLC

Brief introduction

"Ankhai International" LLC is 100% private company and extracts iron ore at territory of Bayanjargalan soum of Tuv aimag. And the company is registered at MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The government has understated initially MNT1,228.8 thousand which was paid on 31 December from the company, and it was confirmed by the detailed information and the respective adjustments were made.

2. Customs tax

The government has understated custom tax for iron net paid to Zamiin-Uud Custom office.

3. Fee for exploitation of mineral resources ("royalty fee")

The government has understated initially MNT10,695.5 thousand which was paid on 31 December from the company. The government approved by additional explanation that the amount came from the previous years, and it was reported in the government reporting.

4. Licence fee for exploitation and exploration of mineral resources

The Company reported in MNT that paid in USD. The government has reported in row line for Licence fee in USD. The difference was adjusted.

5. Land rent fee

The government has not included land fee paid from the company to Governor of Bayanjargalan soum of Tuv aimag. The government has confirmed its receipt on the details; therefore, adjustment was made respectively.

6. Fee for recruiting foreign experts and workers

The government has not reported initially the receipt of this payment, however, government details are confirmed the receipt.

7. Customs service fee

The company has reported this fee under customs tax.

8. Donations to Governmental organisations

By details of Company, there is donation to Governor of Bayanjargalan soum of Tuv aimag. In order to confirm the amount we have sent letter to the governor office on 6 April, 2010 and received reply on 24 May, 2010 and solved the difference. And the donation was monetary donations to soums not to funds disbursed by company in sustainable development and community relations per details.

Disclosure:

We sent a confirmation letter that requested detailed information to company regarding reported amounts in 25th of March, 2010 and received replies from the Company in 29 March, 2010.

Summary:

For this company, all the differences are adjusted and there is no any unresolved difference.

B15. "Petro china dachin tamsag" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	950,790	937,549	13,242	-	13,242	950,790	950,790	-	
Corporate income tax	810	810	-			810	810	-	
Customs tax	266,093	192,753	73,340		73,340	266,093	266,093	-	1
Windfall tax			-					-	
Real estate tax	5,170	5,170	-			5,170	5,170	-	
Excise tax on imported fuel and lubricants	627,176	534,575	92,601		92,601	627,176	627,176	-	2
Tax on petrol and diesel fuel	49,378	171,990	(122,612)		(122,612)	49,378	49,378	-	3
Tax on automobile and self moving vehicles	2,163	2,163	-			2,163	2,163	-	
Other taxes in monetary value (1)		30,087	(30,087)		(30,087)			-	4
Other taxes in monetary value (2)			-					-	
2. Fees	125,938	349,508	(223,571)	323,158	99,587	449,095	449,095	-	
Fee for exploitation of mineral resources ("royalty fee")			-					-	
Licence fee for exploitation and exploration of mineral resources			-					-	
Licence fee for exploitation and exploration of mineral resources /in USD/			-					-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent		318,320	(318,320)	318,320		318,320	318,320	-	5
Fee for water use	25,498	31,189	(5,691)	4,838	(853)	30,335	30,335	-	6
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers	100,440		100,440		100,440	100,440	100,440	-	7
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	214,805	255,306	(40,501)	51,288	10,787	266,093	266,093	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant law			-					-	

B15. "Petro china dachin tamsag" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	214,805	255,306	(40,501)	51,288	10,787	266,093	266,093	-	8
4. Dividends on state and local property	-	-	-	-	-	-	-	-	-
Dividends on state property			-			-	-	-	-
Dividends on local property			-					-	-
5. Other payments to recipient government	-	26,669,948	(26,669,948)	26,669,948	-	26,669,948	26,669,948	-	-
Entitlement under Production Sharing Contract with the government		26,390,273	(26,390,273)	26,390,273		26,390,273	26,390,273	-	9
Other		279,675	(279,675)	279,675		279,675	279,675	-	9
6. Donations to Governmental organisations	-	74,667	(74,667)	91,780	17,114	91,780	91,780	-	-
Monetary donation from business entity to ministries and agencies		6,215	(6,215)	6,588	373	6,588	6,588	-	10
Monetary donation from business entity to aimag		32,166	(32,166)	5,000	(27,166)	5,000	5,000	-	10
Monetary donation from business entity to soums		2,167	(2,167)	22,713	20,546	22,713	22,713	-	10
Monetary donation from business entity to local organisations		6,215	(6,215)	20,800	14,585	20,800	20,800	-	10
Funds disbursed by company in sustainable development and community relations		27,904	(27,904)	36,680	8,776	36,680	36,680	-	10
7. Costs disbursed for protection of the environment	116,500	278,690	(162,190)	10	(162,180)	116,510	116,510	-	-
In kind contribution at rate of 50% to environmental special account	116,500	116,510	(10)	10	-	116,510	116,510	-	-
Costs disbursed for protection of the environment		162,180	(162,180)		(162,180)	-	-	-	11
Total	1,408,033	28,565,668	(27,157,635)	27,136,184	(21,451)	28,544,217	28,544,217	-	-

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

-

Net differences

-

B15. "Petro china dachin tamsag" LLC

Brief introduction

"Petro china dachin tamsag" LLC is subsidiary company of "Dachin Oil Fields Limited" of China and operates mainly in basin of Tamsag of Dornod aimag. The Company is registered to Capital Tax Authority.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

The company has understated when separates VAT from the paid amounts to customs office. And also has included excise tax on imported fuel and lubricants under the customs tax.

2. Excise tax on imported fuel and lubricants

The company has understated its paid amount in its initial reporting.

3. Tax on petrol and diesel fuel

The company has included excise tax on imported fuel and lubricants and customs tax.

4. Other (1)

The company has reported not exclusive taxes under this indication.

5. Land rent fee

The company has reported its paid amount, while the government has not reported any amount. In order to confirm the amount, we have sent official letter. In replies received from the MCO, the Company has paid USD256,090 or MNT318,319.9 thousand on 28 March, 2008, so, the difference was solved.

6. Fee for water use

In initial reporting, the government understated the amount paid to Khalkh Gol and Matad soums of Dornod aimag by MNT4,837.8 thousand while the company understated by MNT853.1 thousand. The governor of Dornod aimag has confirmed the receipts.

7. Fee for recruiting foreign experts and workers

The company has reported any amount initially. However, the detailed information and supporting documents given afterwards.

8. Customs service fee

The government and company have understated the amount.

9. Payment made to government for other product

The government has not reported initially the receipt of the payment. In order to get the details, we have sent letter to PAM as well as to company and made respective adjustment since the difference was due to foreign currency difference.

10. Donations to Governmental organisations

The understatement of the company was confirmed by the official letter came from governor of the Dornod aimag, and we have adjusted the amount by adding the company reported amount. In order to confirm the, we have sent letters to respective donation received organisations, and made the adjustment based on the replies. therefore, the difference was solved. The company has reported donation of MNT9,302.7 thousand as donation given to 2nd Khoroo of Bayanzurkh district for contraction of the children playing area. However, the governor of the district has noted that there was no such donation received. We understood, after asking again from the company, that this donation was given to 2nd Khoroo of Bayanzurkh district for construction of the children

playing area that is outside of “Moncord” private housing accommodation. Even, Mrs. Janchivsuren, a Chairman of “Chin Sanaa” Housing Owner’s Committee of the private housing accommodation, noted the receipt of the donation. We have made adjustment by deducting the amount, since the donation was given to private organisation, even the donation was used for construction of the children playing area.

11. Costs disbursed for protection of the environment

The current accountant of the company is newly employed, and has submitted the 2008 EITI template. And the figures are not in consistence with the accounting figures of the company, and there is no figures provided by the company geologists to environment resource department, so, we have deducted the amount.

Disclosure:

We sent a confirmation letter that requested detailed information to company regarding reported amounts in 25th of March, 2010 and received replies from the Company in 14 April, 2010. However, the replies were not in details, so, required again and gathered all the related supporting documents as possible as.

Summary:

There is no, unresolved difference, except, we could not confirm the real costs disbursed for environment protection.

B16. "Baganuur" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	169,669	45,000	124,669	-	133,105	169,669	178,105	(8,436)	
Corporate income tax			-			-	-	-	
Customs tax	124,669		124,669		133,105	124,669	133,105	(8,436)	1
Windfall tax			-			-	-	-	
Real estate tax	39,293	39,293	-			39,293	39,293	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	5,708	5,708	-			5,708	5,708	-	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	910,216	1,361,000	(450,784)	249,746	(205,903)	1,159,963	1,155,097	4,866	
Fee for exploitation of mineral resources ("royalty fee")	902,600	1,076,632	(174,032)	51,990	(122,044)	954,590	954,588	2	2
Licence fee for exploitation and exploration of mineral resources		27,683	(27,683)		(27,683)	-	-	-	3
Licence fee for exploitation and exploration of mineral resources /in USD/	1		1	7,224	7,225	7,225	7,225	-	3
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		253,605	(253,605)	190,532	(63,401)	190,532	190,204	328	4
Fee for water use	3,080	3,080	-			3,080	3,080	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	4,536		4,536			4,536	-	4,536	5
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	756	-	756	-	756	756	756	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	

B16. "Baganuur" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	756		756		756	756	756	-	6
4. Dividends on state and local property	-	-	-					-	-
Dividends on state property			-					-	-
Dividends on local property			-					-	-
5. Other payments to recipient government	-	-	-					-	-
Entitlement under Production Sharing Contract with the government			-					-	-
Other			-					-	-
6. Donations to Governmental organisations	-	-	-					-	-
Monetary donation from business entity to ministries and agencies			-					-	-
Monetary donation from business entity to aimag			-					-	-
Monetary donation from business entity to soums			-					-	-
Monetary donation from business entity to local organisations			-					-	-
Funds disbursed by company in sustainable development and community relations			-					-	-
7. Costs disbursed for protection of the environment	-		-					-	-
In kind contribution at rate of 50% to environmental special account			-					-	-
Costs disbursed for protection of the environment			-					-	-
Total	1,080,642	1,406,000	(325,358)	249,746	(72,042)	1,330,388	1,333,958	(3,570)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies	4,538
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	(8,108)
Net differences	(3,570)

B16. "Baganuur" JSC

Brief introduction

"Baganuur" LLC was established in year 1978, and was privatized in year 1995 and became state-owned at majority "Baganuur" JSC. Out of the company's total share is owned by the state at 75% and by individuals at 25%. The company's annual capacity is 4.0 million ton and extracts 2.9-3.0 million ton coals depending on the domestic demand by supplying 40% of coal demand of Mongolia and supplying independently 60% of Central Zone customers. The "Baganuur" JSC is registered at MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

The company has not reported any customs tax amount in year 2008, however, re-reported by its detailed information. As a result of the details, the unresolved difference of MNT8,436 thousand has occurred due to reporting at its paid amount, while, the MCO reports at imposed amount.

2. Fee for exploitation of mineral resources ("royalty fee")

The government has not reported MNT51,990, which is underpayment of the previous year and paid in year 2008. And the company has overstated by MNT122,044 thousand, since it was on imposed amount. Also, other types of taxes were included. After making all the respective adjustments, both side figures are matched.

3. Licence fee for exploitation and exploration of mineral resources /in USD/

The company reported initially payment of MNT27,683 thousand; however, the detailed information of the company has provided MNT7,2 thousand as paid, which is same amount of the government reporting.

4. Land rent fee

Initially, the government has not reported any payment paid to local government, while the company has overstated. By approaching to local government with assistance from the MTA, we could confirm the receipts, and adjusted the amount after receiving the correct amount from the company.

5. Fee for recruiting foreign experts and workers

There is unresolved difference of MNT4,536 thousand, since the company has not provided any information on fee for recruiting foreign experts and workers.

6. Customs service fee

The difference is adjusted since the company has explained that the customs service fee was reported together with the customs tax.

Disclosure:

We sent an official letter that requested detailed information to company regarding reported amounts in 25th of March, 2010 and received replies from the Company in 3 May, 2010. The additional information was received on a phone and fax.

Summary:

For this company the remained unresolved difference is related to fee for recruiting foreign experts and workers and customs tax.

B17. "Erdes holding" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	406,066	439,665	(33,599)	-	(33,599)	406,066	406,066	-	
Corporate income tax			-			-	-	-	
Customs tax	10,088	33,995	(23,906)		(23,906)	10,088	10,088	-	1
Windfall tax	390,706	390,706	-			390,706	390,706	-	
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel		5,248	(5,248)		(5,248)	-	-	-	2
Tax on automobile and self moving vehicles	5,272	9,717	(4,445)		(4,445)	5,272	5,272	-	3
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	237,681	412,451	(174,770)	155,222	(19,548)	392,903	392,903	-	
Fee for exploitation of mineral resources ("royalty fee")	222,596	317,997	(95,401)	95,398	(3)	317,994	317,994	-	4
Licence fee for exploitation and exploration of mineral resources	13,515	38,221	(24,706)	16,574	(8,132)	30,089	30,089	-	5
Licence fee for exploitation and exploration of mineral resources /in USD/	7		7		7	7	7	-	5
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		6,306	(6,306)	6,306		6,306	6,306	-	6
Fee for water use	268	2,008	(1,740)	540	(1,200)	808	808	-	7
Fee for forestry use and firewood		43,243	(43,243)	36,404	(6,839)	36,404	36,404	-	8
Fee for recruiting foreign experts and workers	1,296	1,296	-			1,296	1,296	-	
Fee for use of mineral resources of widespread deposit		3,380	(3,380)		(3,380)	-	-	-	9
Other			-			-	-	-	
3. Charges and service charges	113	1,076	(963)	-	113	113	1,188	(1,076)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with		1,076	(1,076)			-	1,076	(1,076)	10

B17. "Erdes holding" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
relevant law									
Custom service fee	113		113			113	113	-	10
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	24,310	(24,310)	16,620	(7,690)	16,620	16,620	-	
Monetary donation from business entity to ministries and agencies		2,550	(2,550)		(2,550)	-	-	-	11
Monetary donation from business entity to aimag		1,000	(1,000)	1,000		1,000	1,000	-	11
Monetary donation from business entity to soums		20,760	(20,760)	15,620	(5,140)	15,620	15,620	-	11
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	375,000	14,530	360,470	(360,300)	170	14,700	14,700	-	
In kind contribution at rate of 50% to environmental special account	34,200	14,530	19,670	(19,500)	170	14,700	14,700	-	12
Costs disbursed for protection of the environment	340,800		340,800	(340,800)		-	-	-	13
Total	1,018,860	892,032	126,828	(188,458)	(60,554)	830,402	831,478	(1,076)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

Payments reported by companies which exceed the corresponding receipts reported by Government Entities (1,076)

Net differences (1,076)

B17. "Erdes holding" LLC

Brief introduction

"Erdes Holding" LLC operates its extraction activity in Khuder soum of Selenge aimag. The company is registered to Sukhbaatar tax authority.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

The difference was solved based on the detailed information received from the company. The company has included VAT and charge and service charge expenditures under this type.

2. Tax on petrol and diesel fuel

Adjustment was made after the company has accepted its understatement providing with its detailed information.

3. Tax on automobiles and self moving vehicles

Adjustment was made after the company has accepted its understatement providing with its detailed information.

4. Fee for exploitation of mineral resources ("royalty fee")

Adjustment was made after the MTA has accepted its understatement providing with its detailed information.

5. Licence fee for exploitation and exploration of mineral resources

The difference was due to the Government reported in USD and the company reported in MNT, which is paid in USD.

6. Land rent fee

The company has provided with its detailed information, while the government has not. Therefore, we have sent letters to Land department of Capital and Land departments of Selenge aimag; those have received the payments, and made adjustments based on the replies.

7. Fee for water use

We have made the adjustments based on company and government details, however, payment made to Khuder soum of Selenge aimag, still differentiated. Afterwards, it was solved by getting the needed disclosure.

8. Fee for forestry use and firewood

The company has sent two times of monetary transfer to Governor Office of Khuder soum of Selenge aimag for forest fee. Totally, MNT 36,404 thousand, MNT29,757 thousand on 15 April 2008 and MNT6,678 thousand on 18, April 2008, was related to the occurred difference. After sending letter to governor of Selenge aimag, we have received the reply on 11 May, 2010. And the respective adjustments are made.

9. Fee for use of mineral resources of widespread deposit

The adjustment was after receiving detailed information from the company accepting its understatement.

10. Service charges paid to state and local administration in accordance with relevant law

The difference is not solved since the detailed information from the company and government are not provided.

11. Donations to government organisations

The donations given to non-government organisations were deducted based on the detailed information of the company. The letters were sent to confirm the receipts of the donations. Adjustment was made due to confirming information from the Representative Meeting of Citizens for Khuder soum.

12. In kind contribution at rate of 50% to environmental special account

The differences are solved since the detailed information from the company and government are not provided confirming their under/overstatements.

13. Costs disbursed for protection of the environment

The government could not confirm its template figure, while the company has accepted its non-disbursement of any cost, so, the adjustment is made respectively.

Disclosure:

We sent a confirmation letter that requested detailed information to company regarding reported amounts in 26th of March, 2010 and received replies from the Company in 6 April, 2010. However, the replies were different, so, sent the letter again on 28 April, 2010 and received the reply after 2 days.

Summary:

There is unresolved difference amounting to MNT1,076 thousand. This difference is due to service charges paid to state and local administration in accordance with relevant law. It is not possible to be solved since this type of fees is not achievable to be confirmed.

B18. "Shin shin" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	619,717	2,479,390	(1,859,673)	-	(1,859,673)	619,717	619,717	-	
Corporate income tax	4,500		4,500		4,500	4,500	4,500	-	1
Customs tax	614,728	2,478,900	(1,864,172)		(1,864,172)	614,728	614,728	-	2
Windfall tax			-			-	-	-	
Real estate tax	450	450	-			450	450	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	39	40	(1)		(1)	39	39	-	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	340,340	566,420	(226,080)	197,886	(28,194)	538,226	538,226	-	
Fee for exploitation of mineral resources ("royalty fee")			-			-	-	-	
Licence fee for exploitation and exploration of mineral resources		28,440	(28,440)		(28,440)	-	-	-	3
Licence fee for exploitation and exploration of mineral resources /in USD/	23		23		23	23	23	-	3
Reimbursement of deposit, exploration of which is carried by the budget fund	261,041	261,100	(59)		(59)	261,041	261,041	-	
Land rent	2,129	2,300	(171)	160	(11)	2,289	2,289	-	4
Fee for water use		1,440	(1,440)	1,440		1,440	1,440	-	5
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	71,147	269,140	(197,993)	196,286	(1,707)	267,433	267,433	-	6
Fee for use of mineral resources of widespread deposit	6,000	4,000	2,000		2,000	6,000	6,000	-	7
Other			-			-	-	-	
3. Charges and service charges	18,955	-	18,955	-	18,955	18,955	18,955	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	

B18. "Shin shin" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	18,955		18,955			18,955	18,955	18,955	- 8
4. Dividends on state and local property	-	-	-				-	-	-
Dividends on state property			-			-	-	-	-
Dividends on local property			-			-	-	-	-
5. Other payments to recipient government	-	-	-			-	-	-	-
Entitlement under Production Sharing Contract with the government			-			-	-	-	-
Other			-			-	-	-	-
6. Donations to Governmental organisations	9,425	10,670	(1,245)	(925)	(2,170)	8,500	8,500		-
Monetary donation from business entity to ministries and agencies			-			-	-	-	-
Monetary donation from business entity to aimag	9,425		9,425	(925)	8,500	8,500	8,500	- 9	
Monetary donation from business entity to soums		10,670	(10,670)		(10,670)	-	-	-	9
Monetary donation from business entity to local organisations			-			-	-	-	-
Funds disbursed by company in sustainable development and community relations			-			-	-	-	-
7. Costs disbursed for protection of the environment	9,600	22,230	(12,630)	(2,112)	(14,742)	7,488	7,488		-
In kind contribution at rate of 50% to environmental special account	7,400	2,230	5,170	88	5,258	7,488	7,488	- 10	
Costs disbursed for protection of the environment	2,200	20,000	(17,800)	(2,200)	(20,000)	-	-	-	11
Total	998,037	3,078,710	(2,080,673)	5,159,383	(7,240,057)	12,399,440	(19,639,496)		-

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

Net differences

B18. "Shin shin" LLC

Brief introduction

"Shin Shin" LLC is 100% China owned company. The company is under preparation to extract zinc from polymetal ore and will build factory capable to produce 3,000 ton ore per day. The company operates in Dashbalbar soum of Dornod aimag and registered to tax authority of Dornod aimag.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The government has confirmed its receipt of MNT4,500 thousand by its detailed information, while the company has not provided any information. Therefore, we have approached to company again and received acceptance of its understatement.

2. Customs tax

The difference was solved according to detailed information from the company. The company has included VAT service charge under this tax.

3. Licence fee for exploitation and exploration of mineral resources

The difference was due to the Government reported in USD and the company reported in MNT, which is paid in USD. The difference was adjusted and solved according to both detailed information of the sides.

4. Land rent fee

The adjustments were made based on the detailed information received from the both Sides, however, a difference has remained. This difference is related to company payment made to Dashbalbar soum of Dornod aimag, therefore, has enquired from the tax authority of Dornod aimag. The authority has accepted the payment.

5. Fee for water use

The difference was solved after enquiring from the tax authority of Dornod aimag since the government has not provided with its detailed information while the company has provided.

6. Fee for recruiting foreign experts and workers

The detailed information is received after sending our official letters since there was differences between the figures of the government and the company. The difference was due to company inclusion of service charge under fee for recruiting foreign experts and workers and exclusion of some payments and payments to local governments by the LWSA, and missing of the service charge under this type of fee. We have checked the missed figures by meeting with Mrs. Khishignyam, a specialist, at LWSA on 19 May, 2010 and noticed that there is no consolidation mechanism and supporting documents show unclear writing of the company name. However, we could solve the differences.

7. Fee for use of mineral resources of widespread deposit

The difference is solved according to detailed information from the company. The company has accepted its miss-filling-up of the its template.

8. Customs service fee

The difference is solved since the company has accepted its amount under the custom tax.

9. Donations to government organisations

We have adjusted miss-filling of amount on other line of the template and inclusion of donations given to non-government organisations. Confirmations are made based on replies answering to our official letter sent to governor of Dornod aimag.

10. In kind contribution at rate of 50% to environmental special account

The difference is not solved since the company could not provide its detailed information while the government has provided. Therefore, we have contacted with company again and observed, and the company has accepted too, miss-reporting of 2007 year outstanding to year 2008.

11. Costs disbursed for protection of the environment

Adjustment was made by deducting the amount since the government as well as the company could not confirm by their figures on the templates.

Disclosure:

We sent a confirmation letter that requested detailed information from the company regarding reported amounts on 26th of March, 2010 and received replies from the Company in 17 April, 2010. However, the replies were different, so, sent the letter again on 28 April, 2010 and received the reply on 28 May, 2010. We have contacted with the company accountant several times.

Summary:

For this company, all the differences are adjusted and there is no any unresolved difference.

B19. "Mongol gazar" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	381,493	491,508	(110,014)	-	(129,043)	381,493	362,464	19,029	
Corporate income tax			-			-	-	-	
Customs tax	53,840		53,840		33,366	53,840	33,366	20,474	1
Windfall tax	320,919	491,508	(170,588)		(170,588)	320,919	320,919	-	2
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	6,734		6,734		8,179	6,734	8,179	(1,445)	3
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	155,196	256,088	(100,891)	24,542	(59,197)	179,739	196,891	(17,152)	
Fee for exploitation of mineral resources ("royalty fee")	71,752	91,385	(19,633)			71,752	91,385	(19,633)	4
Licence fee for exploitation and exploration of mineral resources	83,396	157,120	(73,725)	17,100	(59,245)	100,496	97,875	2,621	5
Licence fee for exploitation and exploration of mineral resources /in USD/	49		49		49	49	49	-	5
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent			-			-	-	-	
Fee for water use		7,582	(7,582)	7,442		7,442	7,582	(140)	6
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	430	1	429	-	-	430	1	429	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law		1	(1)			-	1	(1)	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	

B19. "Mongol gazar" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	430		430			430	-	430	
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	46,000	300,000	(254,000)	(46,000)	(300,000)	-	-	-	7
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag			-			-	-	-	
Monetary donation from business entity to soums	46,000	210,000	(164,000)	(46,000)	(210,000)	-	-	-	7
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations		90,000	(90,000)		(90,000)	-	-	-	7
7. Costs disbursed for protection of the environment	325,610	237,246	88,364	18,000	6,923	343,610	244,169	99,441	
In kind contribution at rate of 50% to environmental special account		7	(7)	18,000	6,923	18,000	6,930	11,070	8
Costs disbursed for protection of the environment	325,610	237,239	88,371			325,610	237,239	88,371	9
Total	908,730	1,284,843	(376,113)	(3,458)	(481,317)	905,272	803,526	101,747	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies 109,275

Payments reported by companies which exceed the corresponding receipts reported by Government Entities (7,528)

Net differences 101,747

B19. "Mongol gazar" LLC

Brief introduction

"Mongol gazar" LLC extracts gold and registered to MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

The company has not submitted its 2008 EITI template; however, we have received the detailed information by meeting with the company management in person. The detailed information shows the payment of MNT33,366 thousand paid to MCO; however, this amount was different from the information of the MCO by MNT 20,474 thousand. WE could not find the reason, so, the difference remains unresolved.

2. Windfall tax

The company has changed its initially reported amount of MNT491,507 thousand to MNT 320,919 thousand. After the respective adjustment, the both figures are matched.

3. Tax on automobiles and self moving vehicles

The company has not reported tax on automobiles and self moving vehicles initially; however, we have received the detailed information by meeting with the company management in person. We have made respective adjustments and there is unresolved difference amounting to MNT 1,445 thousand.

4. Fee for exploitation of mineral resources ("royalty fee")

The government has reported receipt of MNT71,752 thousand, while the company has reported payments of MNT 91,385 thousand initially. The company has provided its detailed information to confirm the payments, while the MTA has not. Therefore, amount of MNT19,633 thousand remains unresolved.

5. Licence fee for exploitation and exploration of mineral resources /in USD/

The government reported in USD, while the company reported in MNT. Amount of MNT 2,621 thousand remains unresolved after making the adjustment converting the USD amount into MNT.

6. Fee for water use

The government has not reported any fee for water use. Therefore, we have sent letters to local government where the company made its payments. The replies of the local governments have confirmed the payments except, remained unresolved difference of MNT140 thousand.

7. Donations to Governmental organisations

Monetary donation from business entity to soums:

The government has reported donation of MNT46,000 thousand received by Uyanga soum. The company has reported donation of MNT210,000 thousand given to the soum. Per detailed information provided by the company accountant, it was explained that the donation was given to Uyanga soum, however, we could not prove since the accountant said that this is not possible to checking the related supporting documents. The current accountant of the company is newly employed, therefore, could not provide us with clear information just explaining "not aware of an old accountant, only heard that the donation was given to Uyanga soum citizens through after-settlement account when employees were sent to mining area". When we have clarified the amount with Governor of Uyanga soum, they have explained that: "*Mongol Gazar* LLC has not donated any donation to governor of our soum. The company has donated certain monetary donation to soum citizens, we do not know exactly, how much money is given to whom". Therefore, we have considered the amount as donation not to government organisation and adjusted by deducting.

Funds disbursed by company in sustainable development and community relations:

The company has reported donation of MNT 90,000 thousand to sustainable development of the soum citizens. This is the donation not given to government organisation, therefore, was adjusted been deducted.

8. In kind contribution at rate of 50% to environmental special account

The government has not reported initially, however, provided with its detailed information with amount of MNT 18,000 thousand. The company has provided with detailed information, confirming its in-kind contribution to environmental special account amounting to MNT 6,930 thousand. Out of the total difference, MNT 11,070 thousand remained as unresolved.

9. Costs disbursed for protection of the environment

The company has reported costs disbursed for protection of the environment at MNT325,610 thousand to MOET, while it has reported at MNT 237,239 thousand at EITI template. The difference of MNT88,371 thousand remains as unresolved.

Disclosure:

We sent an official letter that requested detailed information from the company regarding reported amounts, on 26th of March, 2010 and received replies from the company in e-mail. However, the received information was satisfactory to confirm the amount, so, we have requested again on the phone, but received no reply. The donation amount was adjusted since the company has reported incorrectly.

Summary:

For this company, the unresolved differences are related to customs tax, tax on automobiles and self moving vehicles and Licence fee for exploitation and exploration of mineral resources.

B20. "Jump" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	193,933	170,407	23,526	991	24,517	194,924	194,924	-	
Corporate income tax	1,172		1,172	(1,172)		-	-	-	1
Customs tax	14,500		14,500		14,500	14,500	14,500	-	2
Windfall tax	165,200	165,200	-			165,200	165,200	-	
Real estate tax	451	2,614	(2,163)	2,163		2,614	2,614	-	3
Excise tax on imported fuel and lubricants	9,649		9,649		9,649	9,649	9,649	-	4
Tax on petrol and diesel fuel	367		367		367	367	367	-	
Tax on automobile and self moving vehicles	2,593	2,593	-			2,593	2,593	-	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	325,707	355,654	(29,947)	29,224	(564)	354,932	355,090	(159)	
Fee for exploitation of mineral resources ("royalty fee")	282,528	282,528	-			282,528	282,528	-	
Licence fee for exploitation and exploration of mineral resources	40,800	34,014	6,786	(1,438)	5,357	39,362	39,371	(9)	5
Licence fee for exploitation and exploration of mineral resources /in USD/	10		10		10	10	10	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent	1,050	5,168	(4,118)	6,553	2,436	7,603	7,603	-	6
Fee for water use		33,678	(33,678)	23,990	(9,687)	23,990	23,990	-	7
Fee for forestry use and firewood		268	(268)	118		118	268	(150)	8
Fee for recruiting foreign experts and workers	1,320		1,320		1,320	1,320	1,320	-	9
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	67	16,590	(16,524)	-	67	67	16,657	(16,590)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law		16,590	(16,590)			-	16,590	(16,590)	10

B20. "Jump" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	67		67			67	67	-	
4. Dividends on state and local property	-	-	-				-	-	-
Dividends on state property			-				-	-	-
Dividends on local property			-				-	-	-
5. Other payments to recipient government	-	-	-				-	-	-
Entitlement under Production Sharing Contract with the government			-				-	-	-
Other			-				-	-	-
6. Donations to Governmental organisations	-	11,190	(11,190)	2,500	(8,690)	2,500	2,500	-	
Monetary donation from business entity to ministries and agencies			-				-	-	-
Monetary donation from business entity to aimag			-	2,500	2,500	2,500	2,500	-	11
Monetary donation from business entity to soums			-				-	-	-
Monetary donation from business entity to local organisations			-				-	-	-
Funds disbursed by company in sustainable development and community relations		11,190	(11,190)		(11,190)		-	-	11
7. Costs disbursed for protection of the environment	299,000	2,500	296,500	6,900	303,400	305,900	305,900	-	
In kind contribution at rate of 50% to environmental special account		2,500	(2,500)	6,900	4,400	6,900	6,900	-	12
Costs disbursed for protection of the environment	299,000		299,000		299,000	299,000	299,000	-	13
Total	818,707	556,342	262,365	39,615	318,729	858,322	875,071	(16,749)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(16,749)

Net differences

(16,749)

B20. "Jump" LLC

Brief introduction

"Jump" LLC operates in gold and aluminium extraction activity at Bayandun soum of Dornod aimag. The company is registered at tax authority of Sukhbaatar district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The adjustment was made by deducting the PIT amount that was included under CIT amount in the template prepared by the government.

2. Customs tax

Adjustment was made based on the detailed information of the company since the amount was miss-reported in the template.

3. Real estate tax

The company has provided with detailed information confirming its template amount, however, the government has not provided. Therefore, we have approached to tax institution of Darkhan-Uul aimag and confirmed and made the adjustment.

4. Excise tax on imported fuel and lubricants

Adjustment was made based on the detailed information of the company since the amount was miss-reported in the template.

5. Licence fee for exploitation and exploration of mineral resources /in USD/

The government reported in USD, while the company reported in MNT is converting its amount that is paid in USD. Even if, we have made adjustment based on detailed information of the both sides, there are still unresolved differences.

6. Land rent fee

Even if, we have made adjustment based on detailed information of the both sides, there is still unresolved difference of MNT5,504 thousand which is the government amount is lesser than the company amount. It is related to payment made to Bayandun soum of Dornod aimag. We have clarified the amount from tax authority of Dornod aimag and made the respective adjustment.

7. Fee for water use

The company has provided its detailed information, so, the respective adjustment was made on the template amount. However, the difference is occurred since the government has provided its detailed information. Therefore, we have contacted with tax authorities of Selenge and Dornod aimags, where the company made the payments, and adjusted the amounts.

8. Fee for forestry use and firewood

The difference is due to non-providence of its detailed information from the government. Therefore, we have contacted with tax authorities of Eruu soum of Selenge and Bayandun soum of Dornod aimags by sending letters. The reply from Dornod aimag has confirmed the receipt of the payment, while the reply of Selenge aimag has shown non-receipt of the payment; therefore, the difference has remained unresolved.

9. Fee for recruiting foreign experts and workers

The difference was adjusted and solved since the company has provided its detailed information, accepting its miss-reporting of the amount in template.

10. Service charges paid to state and local administration in accordance with relevant law

The difference remained as unresolved since the government was not possible to provide with its detailed information, even if the company has provided with its detailed information.

11. Donations to government organisations

The adjustment was made according to detailed information provided from the company. We have sent confirmation letter to local government, who have received the donation. The reply was received respectively; therefore, the difference is solved.

12. In kind contribution at rate of 50% to environmental special account

The difference is solved base on the company detailed information and as well as respective supporting documents.

13. Costs disbursed for protection of the environment

Adjustment was made based on the detailed information of the company since the amount was miss-reported in the template.

Disclosure:

We sent a confirmation letter that requested detailed information from the company regarding reported amounts, on 26th of March, 2010. The replies were different, so, sent the letter again on 14 May, 2010 and received related explanations.

Summary:

The unresolved difference of the company is MNT16,749 thousand. This difference is due to service charges paid to state and local administration in accordance with relevant law. The government has no possibility to confirm the amount.

B21. "Urmun Uul" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	682,140	-	682,140	134	682,274	682,274	682,274	-	
Corporate income tax	57,291		57,291		57,291	57,291	57,291	-	1
Customs tax			-			-	-	-	
Windfall tax	624,231		624,231		624,231	624,231	624,231	-	2
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	618		618	134	752	752	752	0	3
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	102,016	-	102,016	28,330	130,345	130,346	130,345	1	
Fee for exploitation of mineral resources ("royalty fee")	91,823		91,823	22,310	114,132	114,133	114,132	1	4
Licence fee for exploitation and exploration of mineral resources	7,449		7,449	(1,715)	5,734	5,734	5,734	-	5
Licence fee for exploitation and exploration of mineral resources /in USD/			-			-	-	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent	2,744		2,744	(872)	1,872	1,872	1,872	-	6
Fee for water use			-	8,607	8,607	8,607	8,607	-	7
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-	-		-	-	-	
Other			-			-	-	-	
3. Charges and service charges	-	-	-	-	-	-	-	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	

B21. "Urmun Uul" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee			-				-	-	-
4. Dividends on state and local property	-	-	-	-	-	-	-	-	-
Dividends on state property			-				-	-	-
Dividends on local property		-	-			-	-	-	-
5. Other payments to recipient government	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government			-				-	-	-
Other		-	-				-	-	-
6. Donations to Governmental organisations	-		-	11,700	11,700	11,700	11,700	-	-
Monetary donation from business entity to ministries and agencies			-				-	-	-
Monetary donation from business entity to aimag		-	-				-	-	-
Monetary donation from business entity to soums		-	-	11,700	11,700	11,700	11,700	-	8
Monetary donation from business entity to local organisations			-				-	-	-
Funds disbursed by company in sustainable development and community relations			-				-	-	-
7. Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account			-				-	-	-
Costs disbursed for protection of the environment			-				-	-	-
Total	784,156	-	784,156	40,164	824,319	824,320	824,319	1	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies -

Payments reported by companies which exceed the corresponding receipts reported by Government Entities -

Net differences -

B21. "Urmun Uul" LLC

Brief introduction

"Urmun-Uul" LLC operates at Buregkhangai soum of Bulgan aimag and was established in year 2002 to extract gold. Its activity only has sustained starting from year 2007. The company is registered at tax authority of Chingeltei district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The government has reported MNT57,291,0 thousand as CIT payment received from the company. The company has not submitted its reporting. We have adjusted the amount based on tax statement prepared by the company.

2. Windfall tax

The government has reported MNT624,231,0 thousand as windfall tax payment received from the company. The company has not submitted its reporting initially, however submitted during our process, so, we have adjusted the amount.

3. Tax on automobiles and self moving vehicles

The government has reported MNT618,0 thousand as tax on automobiles and self moving vehicles received from the company. The company has not submitted its reporting initially, thererofore, the initial difference has occurred. The company has provided its tax statement with payment of MNT 752,0 thousand. We have received the detailed information from Buregkhangai soum of Bulgan aimag and confirmed the payment of the MNT 752,0 thousand, so, made the adjustment increasing the government amount by MNT 134,0 thousand.

4. Fee for exploitation of mineral resources ("royalty fee")

The government has reported MNT91,823.0 thousand as receipt of fee for exploitation of mineral resources ("royalty fee"). The initial difference occurred due to non-submission of the reporting of the company. This difference is decreased to MNT 22,310.0 thousand after receiving the reporting from the company at amount of MNT114,132.0 thousand. We have photocopied the supporting document for the payment as gold and aluminium given to Treasury fund of Mongol Bank to disclosure the company reporting. The amount of MNT114,132.0 was confirmed, therefore, we have adjusted the government amount by adding MNT 22,310.0 thousand.

5. Licence fee for exploitation and exploration of mineral resources /in USD/

The initial difference was occurred since the government has reported receipt of MNT 7,449.0 thousand and the company has not submitted its reporting initially. The detailed information of the both sides has been received and the respective adjustments were made.

6. Land rent fee

The initial difference was occurred since the government has reported receipt of MNT 2,744.0 thousand and the company has not submitted its reporting initially. We have confirmed the amount of MNT 2,744.0 thousand by receiving information from Buregkhangai soum of Bulgan aimag and the company, and made the respective adjustment, therefore, there is no unresolved difference.

7. Fee for water use

The government has not reported the company paid fee for water use while the company has reported MNT11,751.0 thousand. We have confirmed the fee by receiving detailed information from Buregkhangai soum of Bulgan aimag and the company.

8. Donations to government organisations

Monetary donation from business entity to aimags:

The government has not reported the company given donation to soum while the company has reported MNT11,700.0 thousand. We have confirmed the amount by receiving detailed information and supporting document from State fund of Buregkhangai soum of Bulgan aimag and the company.

Disclosure:

We sent an official letter that requested detailed information from the company regarding reported amounts, on 25th of March, 2010 and received reply on April 2, 2010. Even though, the replies were not in detailed rather the company sent back our information to us. Since it was difficult for us to solve the difference, we have contacted with the company 2 times and received photocopies of the supporting documents. Also, in order to confirm the government amount, we have sent an official letter on April 10, 2010 to governor of Buregkhangai soum of Bulgan aimag. Eventually, we could solve the difference with assistance of delegates of state fund of the soum.

Summary:

There is no unresolved difference.

B22. "Shanlun" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	86,588	87,588	(1,000)	-	(1,000)	86,588	86,588	-	
Corporate income tax	58,222	58,222	-			58,222	58,222	-	
Customs tax	20,024	20,024	-)	-		20,024	20,024	-	
Windfall tax			-			-	-	-	
Real estate tax	7,960	8,960	(1,000)		(1,000)	7,960	7,960	-	1
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	382	382	-			382	382	-	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	638,756	638,703	53	(10,368)	(7,074)	628,388	631,629	(3,240)	
Fee for exploitation of mineral resources ("royalty fee")	304,856	304,856	-			304,856	304,856	-	
Licence fee for exploitation and exploration of mineral resources		23,331	(23,331)		(23,331)	-	-	-	2
Licence fee for exploitation and exploration of mineral resources /in USD/	20		20		20	20	20	-	2
Reimbursement of deposit, exploration of which is carried by the budget fund	166,052	166,348	(296)		(296)	166,052	166,052	-	
Land rent	950	950	-			950	950	-	
Fee for water use	900	900	-			900	900	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	165,978	142,318	23,660	(10,368)	16,532	155,610	158,850	(3,240)	3
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	5,825	7,754	(1,929)	-	3,398	5,825	11,152	(5,327)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law		1,567	(1,567)		(1,553)	-	14	(14)	4
Service charges paid to state and local administration in accordance with relevant law		825	(825)		4,489	-	5,313	(5,313)	5

B22. "Shanlun" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	5,825	5,362	463		463	5,825	5,825	-	6
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	19,000	18,500	500	(500)		18,500	18,500		
Monetary donation from business entity to ministries and agencies		3,000	(3,000)	3,000		3,000	3,000	-	7
Monetary donation from business entity to aimag	19,000	7,000	12,000	(12,000)		7,000	7,000	-	7
Monetary donation from business entity to soums		2,500	(2,500)	2,500		2,500	2,500	-	7
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations		6,000	(6,000)	6,000		6,000	6,000	-	
7. Costs disbursed for protection of the environment	250	850	(600)	350	(250)	600	600		
In kind contribution at rate of 50% to environmental special account	250	600	(350)	350		600	600	-	
Costs disbursed for protection of the environment		250	(250)		(250)	-	-	-	8
Total	750,419	753,395	(2,976)	(10,518)	(4,926)	739,901	748,469	(8,567)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(8,567)

Net differences

(8,567)

B22. "Shanlun" LLC

Brief introduction

"Shan lun" LLC, Chine invested company, operates in Choibalsan soum of Dornod aimag by extracting tin and zinc concentrate. The company is registered to Bayangol district tax authority.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Real estate tax

The difference is solved after receiving the detailed information from the company, accepting its overstatement in the template initially, and adjustment of MNT 1,000 thousand was made respectively.

2. Licence fee for exploitation and exploration of mineral resources /in USD/

The government reported in USD, while the company reported in MNT by converting its amount that is paid in USD. The adjustment was made based on the detailed information of the both sides.

3. Fee for recruiting foreign experts and workers

The difference of MNT 3,240 thousand is occurred after making the respective adjustments according to detailed information of both sides. We have defined the difference reason by visiting to LWSA. And needed to approach again to company, however, the company was not that helpful, so, the difference remains unresolved.

4. Stamp and other charge for state registration paid to state and local administration in accordance with relevant law

The adjustment was made since the company has accepted its reporting of service charge fee under stamp and other charge for state registration paid to state and local administration in accordance with relevant law. Even though, the difference remains unresolved, since the government could not confirm the amount.

5. Service charges paid to state and local administration in accordance with relevant law

The adjustment is made based on the company detailed information. Even though, the difference remains unresolved, since the government could not confirm the amount.

6. Customs service fee

The government reporting was confirmed since the MCO has confirmed the amount by providing its detailed information, and the company also has provided with its detailed information.

7. Donations to government organisations

The company has provided detailed information by confirming its donation amount. We have sent letter to Governors of Choibalsan soum and Dornod aimag and replies were received. Also, the incorrect filling of the government was adjusted.

8. Costs disbursed for protection of the environment

The incorrect fillings of the government and the company were adjusted.

Disclosure:

We sent a confirmation letter that requested detailed information from the company regarding reported amounts, on 26th of March, 2010 and received the reply after 12 days. However, the detailed information figures were different from the initially template figures. We have made respective possible adjustments, however, there are still some figures are not satisfactory.

Summary:

The unresolved difference of MNT8,567 thousand has remained. It is related to fee for recruiting foreign experts and workers and charge and service charges.

B23. "Gobi coal and energy" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	114,169	114,260	(92)	-	-	114,169	114,261	(92)	
Corporate income tax	113,035	40,746	72,289		72,289	113,035	113,035	-	1
Customs tax			-			-	-	-	
Windfall tax			-			-	-	-	
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	1,134	1,226	(92)			1,134	1,226	(92)	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)		72,289	(72,289)		(72,289)	-	-	-	1
2. Fees	500,430	393,245	107,184	11,173	119,488	511,603	512,733	(1,131)	
Fee for exploitation of mineral resources ("royalty fee")	750	1,875	(1,125)			750	1,875	(1,125)	2
Licence fee for exploitation and exploration of mineral resources		61,037	(61,037)		(61,037)	-	-	-	3
Licence fee for exploitation and exploration of mineral resources /in USD/	1,226		1,226	(62)	1,169	1,163	1,169	(6)	3
Reimbursement of deposit, exploration of which is carried by the budget fund	471,716	291,310	180,406		180,406	471,716	471,716	-	4
Land rent	4,064	8,390	(4,326)	4,126	(200)	8,190	8,190	-	5
Fee for water use	3,222	10,920	(7,697)	7,109	(589)	10,331	10,331	-	6
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	19,452	19,714	(262)		(262)	19,452	19,452	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	-	-	-			-	-	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant			-			-	-	-	

B23. "Gobi coal and energy" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
law									
Custom service fee			-				-	-	
4. Dividends on state and local property	-	-	-				-	-	-
Dividends on state property			-				-	-	
Dividends on local property			-				-	-	
5. Other payments to recipient government	-	-	-				-	-	-
Entitlement under Production Sharing Contract with the government			-				-	-	
Other			-				-	-	
6. Donations to Governmental organisations	-	189,788	(189,788)	159,572	(17,866)	159,572	171,922	(12,350)	
Monetary donation from business entity to ministries and agencies			-				-	-	
Monetary donation from business entity to aimag			-				-	-	
Monetary donation from business entity to soums			-				-	-	
Monetary donation from business entity to local organisations			-				-	-	
Funds disbursed by company in sustainable development and community relations		189,788	(189,788)	159,572	(17,866)	159,572	171,922	(12,350)	7
7. Costs disbursed for protection of the environment	1,000	5,610	(4,610)	-	(4,610)	1,000	1,000	-	
In kind contribution at rate of 50% to environmental special account	1,000	1,000	-			1,000	1,000	-	
Costs disbursed for protection of the environment		4,610	(4,610)		(4,610)	-	-	-	8
Total	615,598	702,904	(87,306)	170,745	97,012	786,343	799,916	(13,573)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

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Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(13,573)

Net differences

(13,573)

B23. "Gobi coal and energy" LLC

Brief introduction

"Gobi coal and Energy" LLC is foreign invested company and operates extracting coal at Shinejinst of Bayankhongor aimag and Chandmani soum of Govi-Altai aimag. The company is registered to tax authority of Sukhbaatar district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

9. Economic Business Entity Income Tax /CIT/

The difference is occurred since the company has reported MNT 72,289 thousand for income earned from selling of Licence or right under other taxes. We have adjusted this amount and the difference was solved.

10. Fee for exploitation of mineral resources ("royalty fee")

We have received both detailed information from the company and as well as from the government. However, difference of MNT 1,125 is not solved since the donation amount received by tax authority of Govi-Altai aimag is not confirmed and also the MTA has not provided any information, even though, the company has provided photocopy of its supporting document, which shows the transfer of the amount to tax authority of Chandmani soum of Govi-Altai aimag.

11. Licence fee for exploitation and exploration of mineral resources /in USD/

The company has reported in MNT its payment mad in MNT. And the company detailed information's shows understatement of the template amount. The government has reported in USD. The detailed information of MRAM shows the understatement of the template amount. We have made all the respective adjustments based on the both detailed information, however, difference of USD 6 thousand remained. In order to clarify this difference we have approached to company and MRAM again. The company has expressed its payment while the MRAM could not since it is not possible to check every amount.

12. Reimbursement of deposit, exploration of which is carried by the budget fund

The government has provided its detailed information to confirm its template amount. The difference was solved after receiving clarification letter sent to the company to clarify the understated amount of the template.

13. Land rent fee

The adjustment was made according to detailed information of the company and the MTA has provided also its detailed information. However, difference of MNT 4,126 thousand was occurred, and we have contacted with tax authority of Govi-Altai aimag and received the reply, and adjusted the amount.

14. Fee for water use

The figure in template was over compare to detailed information received from the company. It was related to inclusion of distributed water cost and paid money to water economizing centre. Another word, the reporting was prepared on accrual basis, so, we have adjusted. And we have noticed that the MTA has not consolidated fully the fee for water use those are paid to Shinejinst soum of Bayankhongor aimag. Therefore, we have contacted with tax authority of Bayankhongor aimag and received the reply and adjusted the amount respectively.

15. Donations to government organisations

The initial difference was due to MNT 189,788 thousand which was reported under donations to government organisations. We have made adjustment after noticing that donation of MNT 17,866 thousand was given to private company, association, fund and individuals, who are non-government organisations and operate in the local area. The most donations of the company were given to local area since the company operates in Bayankhongor and Govi-Altai aimags. We have received detailed information from governor of these two aimags. After this, the unresolved difference of MNT 12,350 thousand has remained after making adjustment of MNT 159,572 thousand based on the received detailed information. This unresolved difference is related to non acceptance of the soum's receipt even though; the company confirms its donation event.

16. Costs disbursed for protection of the environment

The initial difference has occurred since the government has not reported any amount while the company has reported MNT4,610 thousand. We have adjusted the amount by deducting it since the company has not confirmed it.

Disclosure:

We sent a confirmation letter that requested detailed information from the company regarding reported amounts, on 26th of March, 2010 and received the reply after 12 days on fax and e-mail. However, the detailed information figures were still different from the initially template figures, therefore, we have sent our letter again on 27 April, 2010 and received reply after 2 days together with related supporting documents. The accountant of the company was very cooperative and helpful even if she was employed newly by contacting with us always.

Summary:

There is unresolved amount of MNT 13,573 thousand mostly relating to donation. It is occurred since there is no consolidating mechanism for donation amounts. And also Licence fee for exploitation and exploration of mineral resources amounting to MNT 1,125 thousand paid by the company to Chandmani soum of Govi-Altai aimag is not confirmed from the government side.

B24. "Shivee ovoo" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	108,461	101,086	7,375	22,314	29,689	130,775	130,775	-	
Corporate income tax	20,564	42,860	(22,296)	22,296		42,860	42,860	-	1
Customs tax	29,671		29,671		29,671	29,671	29,671	-	2
Windfall tax			-			-	-	-	
Real estate tax	57,283	57,283	-			57,283	57,283	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	943	943	-			943	943	-	
Other taxes in monetary value (1)			-	18	18	18	18	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	348,277	374,937	(26,660)	29,198	(18)	377,475	374,919	2,556	
Fee for exploitation of mineral resources ("royalty fee")	340,436	366,934	(26,498)	29,054		369,490	366,934	2,556	3
Licence fee for exploitation and exploration of mineral resources	521	521	-			521	521	-	
Licence fee for exploitation and exploration of mineral resources /in USD/			-			-	-	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent	2,136	2,136	-			2,136	2,136	-	
Fee for water use		144	(144)	144		144	144	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	5,184	5,184	-			5,184	5,184	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other		18	(18)		(18)	-	-	-	
3. Charges and service charges	230	-	230	-	230	230	230	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	

B24. "Shivee ovoo" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	230		230			230	230	230	-
4. Dividends on state and local property	-	-	-				-	-	-
Dividends on state property			-			-	-	-	-
Dividends on local property			-			-	-	-	-
5. Other payments to recipient government	-	-	-			-	-	-	-
Entitlement under Production Sharing Contract with the government			-			-	-	-	-
Other			-			-	-	-	-
6. Donations to Governmental organisations	-	-	-			-	-	-	-
Monetary donation from business entity to ministries and agencies			-			-	-	-	-
Monetary donation from business entity to aimag			-			-	-	-	-
Monetary donation from business entity to soums			-			-	-	-	-
Monetary donation from business entity to local organisations			-			-	-	-	-
Funds disbursed by company in sustainable development and community relations			-			-	-	-	-
7. Costs disbursed for protection of the environment	-	18,000	(18,000)	15,500	(2,500)	15,500	15,500	15,500	-
In kind contribution at rate of 50% to environmental special account		2,500	(2,500)		(2,500)	-	-	-	4
Costs disbursed for protection of the environment		15,500	(15,500)	15,500		15,500	15,500	15,500	5
Total	456,968	494,023	(37,055)	134,023	54,803	523,980	521,424	2,556	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies 2,556

Payments reported by companies which exceed the corresponding receipts reported by Government Entities -

Net differences 2,556

B24. "Shivee ovoo" LLC

Brief introduction

Shivee Ovoo LLC, 100% Mongolian company, operates coal mining in Shivee ovoo soum, Gobisumber aimag and is registered with Tax office of Gobisumber aimag.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The initial difference was due to the government receipt was MNT 20,564 thousand per the government reporting, but the company payment was MNT 42,860 thousand per the company reporting. As a result of reconciliation, understatement by MTA amounting to MNT 22,296 thousand was adjusted.

2. Customs tax

Initial difference of MNT 29,671 thousand which was not reported by the company was adjusted based on confirmation with the company.

3. Fee for exploitation of mineral resources ("royalty fee")

Difference of MNT 29,054 thousand which was not included in the government reporting was adjusted based on confirmation with the government. Besides, difference of 2,556 thousand has left unresolved. We sent confirmation to the company for this difference which probably misstated by the company, but not received reply.

4. In kind contribution at rate of 50% to environmental special account

The initial difference was MNT 2,500 thousand which is due to the company included 2007 payments in 2008 reporting and was adjusted.

5. Costs disbursed for protection of the environment

Initial difference was MNT 15,500 thousand which was not included in government reporting. MOET couldn't give sufficient evidence on that. So we adjusted the difference according to the Company reporting since environment protection incurred was confirmed.

Disclosure:

We sent the first confirmation letter requesting the detailed information from the company on 26th of March, 2010 and received replies by fax after 12 days. Then we sent confirmation letter again regarding difference for royalty fee reported by both parties on April 27, 2010, but received no reply.

Summary:

Unresolved difference was royalty fee of MNT 2,556 thousand that included in government reporting, but not in company reporting.

B25. "Shariin gol" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	42,237	41,577	660	9,440	10,100	51,677	51,677	-	
Corporate income tax	32,130	32,137	(7)		(7)	32,130	32,130	-	1
Customs tax	5,707		5,707		5,707	5,707	5,707	-	2
Windfall tax			-			-	-	-	
Real estate tax	4,400	8,000	(3,600)	8,000	4,400	12,400	12,400	-	3
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles		1,440	(1,440)	1,440		1,440	1,440	-	4
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	336,485	349,142	(12,657)	50,144	37,488	386,630	386,630	-	
Fee for exploitation of mineral resources ("royalty fee")	301,059	278,062	22,998	6,066	29,064	307,125	307,125	-	5
Licence fee for exploitation and exploration of mineral resources	9,424		9,424		9,424	9,424	9,424	-	6
Licence fee for exploitation and exploration of mineral resources /in USD/	2		2	(2)		-	-	-	7
Reimbursement of deposit, exploration of which is carried by the budget fund	26,000	26,000	-			26,000	26,000	-	
Land rent		43,089	(43,089)	42,760	(329)	42,760	42,760	-	8
Fee for water use		1,991	(1,991)	1,320	(671)	1,320	1,320	-	9
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	766	-	766	-	766	766	766	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	
Custom service fee	766		766		766	766	766	-	10
4. Dividends on state and local property	-	-	-			-	-	-	

B25. "Shariin gol" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Dividends on state property			-				-	-	-
Dividends on local property		-	-				-	-	-
5. Other payments to recipient government	-	-	-				-	-	-
Entitlement under Production Sharing Contract with the government			-				-	-	-
Other			-				-	-	-
6. Donations to Governmental organisations	-	40,559	(40,559)	26,000	(3,463)	26,000	37,096	(11,096)	
Monetary donation from business entity to ministries and agencies			-				-	-	-
Monetary donation from business entity to aimag			-				-	-	-
Monetary donation from business entity to soums		40,559	(40,559)	26,000	(3,463)	26,000	37,096	(11,096)	11
Monetary donation from business entity to local organisations			-				-	-	-
Funds disbursed by company in sustainable development and community relations			-				-	-	-
7. Costs disbursed for protection of the environment	64,700	62,120	2,580	-	2,600	64,700	64,720	(20)	
In kind contribution at rate of 50% to environmental special account	2,600		2,600		2,600	2,600	2,600	-	12
Costs disbursed for protection of the environment	62,100	62,120	(20)			62,100	62,120	(20)	13
Total	444,189	493,398	(49,209)	542,607	(591,816)	1,134,423	540,889	(11,116)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(11,116)

Net differences

(11,116)

B25. "Shariin gol" JSC

Brief introduction

"Shariin Gol" JSC operates coal mining in Shariin gol soum, Darkhan-Uul aimag. The company extracted 548 thousand ton coal and sold 546 thousand ton coal in 2008. The company is registered with the Tax Authority of Darkhan-Uul aimag.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The difference of MNT 7 thousand was caused from currency exchange difference due to payment made by USD.

2. Customs tax

Per company reporting, there is no customs tax payment reported, but per MTA reporting customs tax payment of MNT 5,707 thousand was received by MTA. Per company detailed information given during reconciliation, customs tax payment of MNT 15,407 thousand was reported. But it includes VAT and other service charges and we have made adjustment on it.

3. Real estate tax

The initial difference was due to real estate tax received by MTA was MNT 4,400 thousand per MTA's reporting, but the amount paid by the company was MNT 8,000 thousand per the company reporting. We have made adjustment on it based on explanation and confirmation from Tax authority of Sharin gol soum, Darkhan-Uul aimag, the recipient.

4. Tax on automobiles and self moving vehicles

Vehicle tax of MNT 1,440 thousand was paid by the company, but no information received from MTA. So we confirmed it with Tax Office of Shariin gol soum, Darkhan-Uul aimag and have made adjustment.

5. Fee for exploitation of mineral resources ("royalty fee")

Per details from MTA, MNT 307,125 thousand was received, but per details from Shariin gol MNT 278,062 thousand was paid by the company. For the difference of MNT 29,064 thousand, we have made adjustment by sending confirmation letter to the Company.

6. Licence fee for exploitation and exploration of mineral resources (MNT)

We have adjusted misstatement in the company reporting according to details and confirmation from the company.

7. Licence fee for exploitation and exploration of mineral resources (USD)

Government included 2007 Licence fee of MNT 1,900 thousand in 2008 reporting and we have made adjustment on it.

8. Land rent fee

"Shariin gol" JSC reported that MNT 42,760 thousand was paid for land rental fee. But it included water fee into this item per details and we adjusted it. We sent a confirmation letter on not reported amount by the government. As a result of confirmation with Tax office in Shariin gol soum, Darkhan-Uul aimag, we have made appropriate adjustment.

9. Fee for water use

Shariin Gol JSC reported water use fee of MNT 1,320 thousand which wasn't included in Government reporting. We sent confirmation letter to MTA. We did confirmation with Tax office in Shariin gol soum, Darkhan-Uul aimag and we made appropriate adjustment.

10. Customs service fee

The company confirmed that customs service fee was not reported by the company and we have made adjustment accordingly.

11. Donation from Business entities to soums

Shariin Gol JSC reported donation amounting MNT 40,559 thousand provided to soums. But it included donation to business entities and associations amounting MNT 3,463 thousand and we have made adjustment accordingly. We sent confirmation letter on remaining MNT 37,096 thousand to the organisations of Shariin gol soum. From which we have made adjustment on difference amounting MNT 26,000 thousand based on replies from some organisations. Difference of MNT 11,096 thousand remains unresolved. Of which MNT 9,996 thousand was spent for religious activities to Soum's governing office per company reporting. We sent a confirmation letter on it to Soum's governing office. The Soum's governing office replied that they have no information due to the local governor has been changed and sent 2008 bank statement of soum.

We sent confirmation letter on donation of MNT 550 thousand to Shariin gol soum's fire department and Darkhan's sports committee respectively. But we didn't receive replies and the difference remained unresolved.

12. In kind contribution at rate of 50% to environmental special account

Per MOET reporting, in kind contribution of MNT 2,600 thousand is received. But it was not reported by the company. We made adjustment accordingly.

13. Costs disbursed for protection of the environment

There is a difference of MNT 20 thousand in Reconciliation report. Company confirmed its reported amount; however MOET has no sufficient evidence on it. Therefore the difference remained unresolved.

Disclosure:

There are several differences on tax, fees and charges in 2008 reconciliation reports. We sent a letter requesting details on March 26, 2010 and received detailed information on April 5, 2010. But the details from government and company still have differences. We sent a confirmation letter together with details on the differences again on April 27, 2010 and requested to confirm each amount by supporting documents. Also we sent confirmation letter on the amount which is paid by company, but not included in government reporting. Then we made appropriate adjustment.

Summary:

In summary, difference of MNT 11,116 thousand remained unresolved in 2008 reconciliation report. It is related to the amount not confirmed by government.

B26. "Khan shijir" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	317,278	317,366	(88)	88	-	317,366	317,366	-	
Corporate income tax	1,371	1,371	-			1,371	1,371	-	
Customs tax			-			-	-	-	
Windfall tax	315,493	315,493	-			315,493	315,493	-	
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	415	503	(88)	88		503	503	-	1
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	37,787	63,676	(25,889)	17,616	(8,273)	55,403	55,403	-	
Fee for exploitation of mineral resources ("royalty fee")	37,782	53,970	(16,188)	16,188		53,970	53,970	-	2
Licence fee for exploitation and exploration of mineral resources		6,556	(6,556)		(6,556)	-	-	-	3
Licence fee for exploitation and exploration of mineral resources /in USD/	6		6		6	6	6	-	3
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		1,428	(1,428)	1,428		1,428	1,428	-	4
Fee for water use		1,722	(1,722)		(1,722)	-	-	-	5
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	-	-	-			-	-	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	

B26. "Khan shijir" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee			-			-	-	-	
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property			-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	15,341	(15,341)	15,341		-	15,341	15,341	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag		13,000	(13,000)	13,000		13,000	13,000	13,000	6
Monetary donation from business entity to soums		2,341	(2,341)	2,341		2,341	2,341	2,341	7
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	48,600	3,673	44,927	(42,044)	2,884	6,557	6,557	6,557	
In kind contribution at rate of 50% to environmental special account			-			-	-	-	
Costs disbursed for protection of the environment	48,600	3,673	44,927	(42,044)	2,884	6,557	6,557	6,557	8
Total	403,665	400,056	3,609	(8,998)	(5,389)	394,667	394,667	-	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

Net differences

B26. "Khan shijir" LLC

Brief introduction

The company operates gold & silver mining in Bumbugur soum, Bayankhongor aimag and is registered with the Tax Authority of Bayangol district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Tax on automobiles and self moving vehicles

Per initial reporting of government and company, there is a difference of MNT 88 thousand. We adjusted the difference according to company's confirmation.

2. Fee for exploitation of mineral resources ("royalty fee")

The difference of MNT 16,188 thousand was understated in government reporting which is confirmed by MTA and was adjusted.

3. Licence fee for exploitation and exploration of mineral resources

The company has reported payments in MNT. But the government reported it in USD. The difference was adjusted.

4. Land rent fee

The company confirmed that the company paid MNT 1,428 thousand to Bumbugur soum. But no information received from MTA. So we sent confirmation letter to the Tax Authority of Bayankhongor aimag and made appropriate adjustment.

5. Fee for water use

Government has confirmed that they didn't receive water use fee in 2008. The company reported water fee paid to Water economizing centre, a non-government organisation in this item. We adjusted the difference of MNT 1,722 thousand accordingly.

6. Donation from business entities to aimag

As company confirmation, the company provided a donation of MNT 10 million for religious activities to Bayankhongor aimag's governing office and a donation of MNT 3 million to Bayankhongor aimag's Environment office respectively. We confirmed the donations with the local offices and made adjustment.

7. Donation from business entities to soums

As company confirmation, the company provided a donation of MNT 1,700 thousand for purchase of office furniture and MNT 441 thousand for fuel to Bumbugur soum's governing office and a donation of MNT 200 thousand to Bumbugur soum's Environment office. We confirmed the donations with the local offices and made adjustment.

8. Costs disbursed for protection of the environment

In reconciliation report, expenditure of MNT 48,600 thousand was reported in government reporting and expenditure of MNT 3,673 thousand per company reporting respectively. Company provided detailed information confirming its reporting. Amount per MOET report was unable to be confirmed. We made adjustment accordingly.

Disclosure:

We sent a confirmation letter on March 26, 2010 and received replies on March 30, 2010 and April 2, 2010. We sent confirmation letter on difference of detailed information from government and company on April 27, 2010. Also we sent confirmation letter for amount paid by company, but not included in government reporting to related offices. Company replied the 2nd letter on May 3, 2010 and the difference was resolved accordingly.

Summary:

Per company reporting, initial net difference was amounted to MNT 3,609 thousand. The difference was due to 1) the Licence fee for exploitation and exploration of mineral resources reported in different currencies; 2) payments to local tax authorities not reconciled to MTA and 3) environment protection expenditure misstated by government and 4) unacceptable amounts reported by company.

B27. "Sonor trade" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	332,584	333,923	(1,339)	25,107	23,712	357,691	357,635	56	
Corporate income tax	21,880	27,883	(6,003)	24,295	18,292	46,175	46,175	-	1
Customs tax	5,420		5,420		5,420	5,420	5,420	-	2
Windfall tax	304,910	304,910	0		0	304,910	304,910	-	
Real estate tax		812	(812)	812		812	812	-	3
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	374	318	56			374	318	56	4
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	34,275	63,226	(28,951)	17,098	(11,852)	51,373	51,373		
Fee for exploitation of mineral resources ("royalty fee")	34,265	48,950	(14,685)	14,685		48,950	48,950	-	5
Licence fee for exploitation and exploration of mineral resources		11,862	(11,862)		(11,862)	-	-	-	6
Licence fee for exploitation and exploration of mineral resources /in USD/	10		10		10	10	10	-	7
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		1,773	(1,773)	1,773		1,773	1,773	-	8
Fee for water use		640	(640)	640		640	640	-	9
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	34	-	34	-	34	34	34		
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	
Custom service fee	34		34		34	34	34	-	10
4. Dividends on state and local property	-	-	-			-	-		

B27. "Sonor trade" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Dividends on state property			-				-	-	-
Dividends on local property		-	-				-	-	-
5. Other payments to recipient government	-	-	-				-	-	-
Entitlement under Production Sharing Contract with the government			-				-	-	-
Other			-				-	-	-
6. Donations to Governmental organisations	-	-	-				-	-	-
Monetary donation from business entity to ministries and agencies			-				-	-	-
Monetary donation from business entity to aimag			-				-	-	-
Monetary donation from business entity to soums			-				-	-	-
Monetary donation from business entity to local organisations			-				-	-	-
Funds disbursed by company in sustainable development and community relations			-				-	-	-
7. Costs disbursed for protection of the environment	-	-	-				-	-	-
In kind contribution at rate of 50% to environmental special account			-				-	-	-
Costs disbursed for protection of the environment			-				-	-	-
Total	366,893	397,148	(30,255)	42,206	11,894	409,099	409,042	56	
Receipts reported by Government Entities which exceed the corresponding payments reported by companies						56			
Payments reported by companies which exceed the corresponding receipts reported by Government Entities						-			
Net differences						56			

B27. "Sonor trade" LLC

Brief introduction

Sonor trade LLC, a private company, operates gold mining in Bayangol soum, Selenge aimag. The company is registered with the Tax authority of Sukhbaatar district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

Per MTA reporting, CIT of MNT 46,175 thousand was received, but per company reporting, CIT of MNT 20,188 thousand was paid. The company confirmed that the difference of MNT 25,987 thousand was understated in company reporting. It was resolved accordingly.

2. Customs tax

The MTA confirmed by details that the customs tax of 5,420 was received by MTA. But a detail from company doesn't show any customs tax payment. We sent letter requesting explanation on the difference and the company agreed its misstatement.

3. Real estate tax

Company confirmed that the company paid real estate tax of MNT 812 thousand to Zavkhan aimag's tax office on October 31, 2008. But it was not included in MTA's detailed information. We confirmed with Tax office of Zavkhan aimag and made appropriate adjustment.

4. Tax on automobiles and self moving vehicles

Both of the Government and company confirmed amount in their reporting. Difference of MNT 56 thousand was unable to be determined and left unresolved.

5. Fee for exploitation of mineral resources ("royalty fee")

Government's misstatement was confirmed by its detailed information and we made adjustment on the difference of MNT 14,685 thousand.

6. Licence fee for exploitation and exploration of mineral resources

Company has reported Licence fee of MNT 11,862 thousand. But government reported it in USD 10,000. The difference was adjusted.

7. Land rent fee

The company confirmed that paid totally MNT 1,173 thousand to Tax office of Selenge aimag and Capital Land Authority. But Tax office didn't provide information on that. We sent confirmation letter to Tax office of Selenge aimag and Capital Land Authority and have made adjustment accordingly.

8. Fee for water use

The company confirmed that paid MNT 640 thousand to Tax office of Selenge aimag. But Tax office didn't provide information on that. We confirmed with Tax office of Selenge aimag and made adjustment accordingly.

Disclosure:

We sent confirmation letter to company on March 26, 2010 and April 14, 2010 and received replies on April 15, 2010. Also we sent confirmation letter on difference between detailed information from company and government on April 28, 2010. We received reply on May 19, 2010 and made appropriate adjustment. According to detailed information from MTA, MRAM and customs office, differences are resolved.

Summary:

Difference of MNT 56 thousand remained unresolved in 2008 reconciliation report. Company confirmed that paid MNT 318 thousand for Tax on automobiles and self moving vehicles. But tax office reported that received MNT 374 thousand for the tax. The difference remained unresolved.

B28. "Mongol alt" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	26,067	-	26,067	(6,698)	19,369	19,369	19,369	-	
Corporate income tax			-			-	-	-	
Customs tax	76		76		76	76	76	-	1
Windfall tax	12,518		12,518		12,518	12,518	12,518	-	2
Real estate tax	11,910		11,910	(6,698)	5,212	5,212	5,212	-	3
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	1,563		1,563		1,563	1,563	1,563	-	4
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	203,347	-	203,347	(4,519)	198,827	198,827	198,827	-	
Fee for exploitation of mineral resources ("royalty fee")	190,463		190,463		190,463	190,463	190,463	-	5
Licence fee for exploitation and exploration of mineral resources	2,982		2,982	(1,917)	1,065	1,065	1,065	-	6
Licence fee for exploitation and exploration of mineral resources /in USD/	10		10	(8)	2	2	2	-	6
Reimbursement of deposit, exploration of which is carried by the budget fund	6,469		6,469		6,469	6,469	6,469	-	7
Land rent	3,423		3,423	(2,594)	829	829	829	-	8
Fee for water use			-			-	-	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	8	-	8	-	8	8	8	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	
Custom service fee	8		8		8	8	8	-	
4. Dividends on state and local property	4,033	-	4,033	-	4,033	4,033	4,033	-	

B28. "Mongol alt" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Dividends on state property	4,033		4,033		4,033	4,033	4,033	-	9
Dividends on local property		-	-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	-	-			-	-	-	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag			-			-	-	-	
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	-	-	-			-	-	-	
In kind contribution at rate of 50% to environmental special account			-			-	-	-	
Costs disbursed for protection of the environment			-			-	-	-	
Total	233,455	-	233,455	(11,218)	222,237	222,237	222,237	-	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies -

Payments reported by companies which exceed the corresponding receipts reported by Government Entities -

Net differences -

B28. "Mongol alt" JSC

Brief introduction

"Mongol alt" JSC operates gold mining and is registered with the Tax Authority of Darkhan-Uul aimag.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

The initial difference of MNT 76 thousand was due to the company didn't submit its 2008 report to EITI. We confirmed with the company and made appropriate adjustment.

2. Windfall tax

The initial difference of MNT 12,518 thousand was due to the company didn't submit its report to EITI. We made appropriate adjustment based on detailed information received from company.

3. Real estate tax

We made appropriate adjustments according to detailed information from MTA and company reports. But MNT 1,084 thousand overstated in MTA report remained not clear. So we sent confirmation letter to the company and made adjustment according to the replies.

4. Tax on automobiles and self moving vehicles

The initial difference of MNT 1,563 thousand was due to the company didn't submit its report to EITI. We confirmed with the company and made appropriate adjustment.

5. Fee for exploitation of mineral resources ("royalty fee")

The company confirmed that misstated royalty fee in its report and we made adjustment accordingly.

6. Licence fee for exploitation and exploration of mineral resources

We made appropriate adjustment according to detailed information from MRAM and company.

7. Reimbursement of deposit, exploration of which is carried by the budget fund

MRAM confirmed by detailed information that received reimbursement of MNT 6,469 thousand. But the company understated this payment. We made adjustment accordingly.

8. Land rent fee

MTA overstated land rental fee, but the company understated it. It was confirmed by both parties and adjusted.

9. Dividends on state and local property

The initial difference was due to the company didn't submit its 2008 report to EITI. We made appropriate adjustment based on detailed information received from company.

Disclosure:

High amount of initial difference was due to the company didn't submit its 2008 report to EITI. We sent confirmation letter on March 25, 2010 and received reply on March 26, 2010. We sent confirmation letter on some differences between information received from two parties on April 27, 2010 and May 18, 2010. We received reply on May 19, 2010.

Summary:

For this company, all the differences are adjusted and there is no any unresolved difference.

B29. "Tun sin" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	196,156	142,742	53,415	2,242	55,657	198,399	198,399	-	
Corporate income tax	139,428	139,428	-			139,428	139,428	-	
Customs tax	55,595		55,595		55,595	55,595	55,595	-	1
Windfall tax			-			-	-	-	
Real estate tax	31	2,211	(2,180)	2,242	63	2,274	2,274	-	2
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	1,102	1,102	-			1,102	1,102	-	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	-	553,676	(553,676)	515,901	(37,045)	515,901	516,631	(730)	
Fee for exploitation of mineral resources ("royalty fee")		472,195	(472,195)	472,195		472,195	472,195	-	3
Licence fee for exploitation and exploration of mineral resources		5,855	(5,855)	5,855		5,855	5,855	-	4
Licence fee for exploitation and exploration of mineral resources /in USD/			-			-	-	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		1,131	(1,131)	1,131		1,131	1,131	-	5
Fee for water use		730	(730)			-	730	(730)	6
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers		36,298	(36,298)	36,720	422	36,720	36,720	-	7
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other		37,467	(37,467)		(37,467)	-	-	-	8
3. Charges and service charges	14,911	80,549	(65,638)	-	(62,439)	14,911	18,110	(3,199)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law		42,276	(42,276)		(42,276)	-	-	-	9
Service charges paid to state and local administration in accordance with relevant law		1,718	(1,718)		1,481	-	3,199	(3,199)	10
Custom service fee	14,911	36,556	(21,645)		(21,645)	14,911	14,911	-	11
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	

B29. "Tun sin" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Dividends on local property		-	-			-	-	-	-
5. Other payments to recipient government	-	-	-			-	-	-	-
Entitlement under Production Sharing Contract with the government			-			-	-	-	-
Other			-			-	-	-	-
6. Donations to Governmental organisations	-	3	(3)	-	(3)	-	-	-	-
Monetary donation from business entity to ministries and agencies			-			-	-	-	-
Monetary donation from business entity to aimag		3	(3)		(3)	-	-	-	-
Monetary donation from business entity to soums			-			-	-	-	-
Monetary donation from business entity to local organisations			-			-	-	-	-
Funds disbursed by company in sustainable development and community relations			-			-	-	-	-
7. Costs disbursed for protection of the environment	-	12,000	(12,000)	12,000	-	12,000	12,000	-	-
In kind contribution at rate of 50% to environmental special account			-			-	-	-	-
Costs disbursed for protection of the environment		12,000	(12,000)	12,000		12,000	12,000	-	12
Total	211,067	788,970	(577,903)	530,144	(43,830)	741,211	745,140	(3,929)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(3,929)

Net differences

(3,929)

B29. "Tun sin" LLC

Brief introduction

"Tun sin" LLC, a private company, operates mining activities in Darkhan soum, Khentii aimag and is registered with the Tax authority of Khan-Uul district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

Company didn't include customs tax of MNT 55,595 thousand in its report and detailed information. We confirmed this difference with Customs office and adjusted the misstatement.

2. Real estate tax

According to detailed information from company and confirmation with Tax office of Selenge aimag, the difference of MNT 63 thousand was adjusted.

3. Fee for exploitation of mineral resources ("royalty fee")

Initial difference was due to the payment of MNT 472,195 thousand was included in the company report, but not in government report. We confirmed the difference with company and Tax office of Khentii aimag and made adjustment accordingly.

4. Licence fee for exploitation and exploration of mineral resources

Initial difference was due to the payment of MNT 5,855 thousand was included in the company report, but not in government report. We made appropriate adjustment based on detailed information received from company and confirmation from MRAM.

5. Land rent fee

Initial difference was that payment of MNT 1,131 thousand was included in the company report, but not in the government report. We made appropriate adjustment based on confirmation from the company and Tax office of Khentii aimag.

6. Fee for water use

Initial difference was that payment of MNT 730 thousand is included in company report, but not in government report. Company confirmed by detailed information that paid this payment. We requested confirmation from Tax office of Khentii aimag, but the reply didn't give sufficient evidence. The difference remained unresolved.

7. Fee for recruiting foreign experts and workers

Initial difference was that payment of MNT 36,720 thousand was not included in government report. According to detailed information from LWSA, we made adjustment increasing government report. Also the company understated amount of MNT 422 thousand and we made appropriate adjustment.

8. Other

Tun Sin company misstated amount of MNT 37,467 thousand and it was adjusted.

9. Stamp and other charge for state registration paid to state and local administration in accordance with relevant law

Company confirmed by detailed information that misstated amount of MNT 42,276 thousand and we made adjustment accordingly.

10. Service charges paid to state and local administration in accordance with relevant law

Per Company detailed information, company paid service charge amounting MNT 3,199 thousand and we adjusted accordingly. However, the government had not reported initially and not provided with details. Therefore, the difference remained still unresolved.

11. Customs service fee

The government had reported initially MNT 14,911 thousand which is confirmed by respective details. But the company reported amount of MNT 36,556 thousand which included customs service fee of MNT 21,645. We made appropriate adjustment.

12. Costs disbursed for protection of the environment

The company confirmed that the company paid MNT 12,000 thousand to Development fund of Bor-Undur soum, Khentii aimag. Therefore we adjusted government reporting.

Disclosure:

We sent letter requesting detailed information to the company on March 26, 2010 and received reply by fax after 10 days. For difference in some taxes and charges, we sent confirmation letter again on April 27, 2010 and received reply on May 19, 2010. We have made adjustment accordingly.

Summary:

Totally difference of MNT 3,929 thousand has left unresolved. The difference is due to the company reported amount was greater than government reported amount.

The company reported service charge paid to government organisations together with Service charges paid to state and local administration in accordance with relevant law. The government didn't report any service fee and charges due to there is no procedure for reconciling and reporting service fees and charges.

B30. "Mongol tsamkhag" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	10	-	10	-	-	10	-	10	
Corporate income tax	10		10			10	-	10	
Customs tax			-			-	-	-	
Windfall tax			-			-	-	-	
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles			-			-	-	-	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	203,022	76,108	126,914	44,721	171,635	247,743	247,743		
Fee for exploitation of mineral resources ("royalty fee")			-			-	-	-	
Licence fee for exploitation and exploration of mineral resources	31,387	76,108	(44,721)	44,721		76,108	76,108		1
Licence fee for exploitation and exploration of mineral resources /in USD/	44		44		44	44	44		1
Reimbursement of deposit, exploration of which is carried by the budget fund	171,591		171,591		171,591	171,591	171,591		2
Land rent			-			-	-	-	
Fee for water use			-			-	-	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	-	-	-	-	-	-	-	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	
Custom service fee			-			-	-	-	
4. Dividends on state and local property	-	-	-	-	-	-	-	-	

B30. "Mongol tsamkhag" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Dividends on state property			-			-	-	-	
Dividends on local property			-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	-	-			-	-	-	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag			-			-	-	-	
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	-	-	-			-	-	-	
In kind contribution at rate of 50% to environmental special account			-			-	-	-	
Costs disbursed for protection of the environment			-			-	-	-	
Total	203,032	76,108	126,924	44,721	171,635	247,753	247,743	10	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies	10
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	0
Net differences	10

B30. "Mongol tsamkhag" LLC

Brief introduction

"Mongol tsamkhag" LLC, a subsidiary of "Mongol gazar" LLC and is registered with MTA.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Licence fee for exploitation and exploration of mineral resources

Company reported Licence fee in MNT, but the government reported it in USD. Based on the details, we have made adjustment.

2. Reimbursement of deposit, exploration of which is carried by the budget fund

The company didn't provide supporting documents. However it was confirmed by both parties. We have made adjustment.

Disclosure:

We sent an official letter requesting detailed information from the company on March 25, 2010 and received reply. The adjustments were made based on the company and as well as government detailed information.

Summary:

There is no unresolved difference.

B31. "AUM" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	116,066	307,304	(191,238)	30	(191,208)	116,095	116,095	-	
Corporate income tax			-					-	
Customs tax	3,718	93,101	(89,383)		(89,383)	3,718	3,718	-	1
Windfall tax	111,753	213,578	(101,826)		(101,826)	111,753	111,753	-	2
Real estate tax			-					-	
Excise tax on imported fuel and lubricants			-					-	
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles	595	625	(30)	30		625	625	-	
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	79,319	109,380	(30,061)	12,438	(17,623)	91,757	91,757	-	
Fee for exploitation of mineral resources ("royalty fee")	25,705	36,721	(11,017)	11,017		36,721	36,721	-	3
Licence fee for exploitation and exploration of mineral resources		20,255	(20,255)		(20,255)		-	-	4
Licence fee for exploitation and exploration of mineral resources /in USD/	18		18		18	18	18	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent	5,845	7,132	(1,287)	1,287		7,132	7,132	-	5
Fee for water use	36,800	36,800	-			36,800	36,800	-	
Fee for forestry use and firewood		100	(100)	134	34	134	134	-	
Fee for recruiting foreign experts and workers	10,951	8,371	2,580		2,580	10,951	10,951	-	6
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	26	1,378	(1,352)	-	(74)	26	1,305	(1,279)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law		1,236	(1,236)		43		1,279	(1,279)	7
Service charges paid to state and local administration in accordance with relevant law		104	(104)		(104)		-	-	7

B31. "AUM" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	26	38	(12)		(12)	26	26	-	
4. Dividends on state and local property	-	-	-		-	-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-					-	
5. Other payments to recipient government	-	-	-	-	-	-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	18,400	(18,400)	-	(18,400)	-	-	-	
Monetary donation from business entity to ministries and agencies			-					-	
Monetary donation from business entity to aimag			-					-	
Monetary donation from business entity to soums			-					-	
Monetary donation from business entity to local organisations			-					-	
Funds disbursed by company in sustainable development and community relations		18,400	(18,400)		(18,400)	-	-	-	8
7. Costs disbursed for protection of the environment	-	27,471	(27,471)	17,661	(9,810)	17,661	17,661	-	
In kind contribution at rate of 50% to environmental special account		17,661	(17,661)	17,661		17,661	17,661	-	9
Costs disbursed for protection of the environment		9,810	(9,810)		(9,810)		-	-	10
Total	195,411	463,932	(268,522)	30,128	(237,115)	225,539	226,818	(1,279)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(1,279)

Net differences

(1,279)

B31. "AUM" LLC

Brief introduction

"AUM" LLC is 100% private company and operates gold mining in Uyanga soum, Uvurkhangai aimag. The company is registered with the Tax authority of Sukhbaatar district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

The company included customs service fee and other charges into customs tax.

2. Windfall tax

The over reporting by the company was confirmed by its respective details.

3. Fee for exploitation of mineral resources ("royalty fee")

The under reporting by the government was confirmed by its respective details.

4. Licence fee for exploitation and exploration of mineral resources

Company reported Licence fee in MNT, but the government reported it in USD. Based on the details, we have made adjustment.

5. Land rent fee

The government understated totally MNT 1,287 thousand including MNT 1,155.0 thousand paid by the company on Jan 17 and MNT 132.0 thousand paid by the company on Dec 16. We have made adjustment based on confirmation with government organisation.

6. Fee for recruiting foreign experts and workers

The under reporting by the company was confirmed by its respective details.

7. Charge, service charges

We sent confirmation letter to relevant local organisations. But replies from the organisation were insufficient and unclear. The difference has left unresolved.

8. Donations to Governmental organisations

The company reported donation provided to governing office of Uyanga soum, Uvurkhangai aimag. We sent confirmation letter to the governing office. But they replied that it wasn't received. The donation was spent for local communities. We have adjusted by deducting the amount.

9. In kind contribution at rate of 50% to environmental special account

Company reported by its details that the company paid amount of MNT 17,660.5 thousand on June 5. But the government didn't report this payment. We have made adjustment based on information received from government organisation.

10. Costs disbursed for protection of the environment

We have adjusted over reporting by the company based on the respective details.

Disclosure:

We sent letter requesting detailed information to the company on March 25, 2010 and received reply on April 5, 2010.

Summary:

For charge, service charges, the difference could not be resolved since the information sources are unclear, and the amounts which the company has reported are too small to confirm with the government reporting.

B32. "Khunanjinlen" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	80,277	70,535	9,742	1,673	11,414	81,949	81,949	-	
Corporate income tax	250		250	1,673	1,923	1,923	1,923	-	1
Customs tax	9,205		9,205		9,205	9,205	9,205	-	2
Windfall tax	70,500	70,480	20		20	70,500	70,500	-	
Real estate tax			-				-	-	
Excise tax on imported fuel and lubricants			-				-	-	
Tax on petrol and diesel fuel			-				-	-	
Tax on automobile and self moving vehicles	322	55	267		267	322	322	-	
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	107,169	134,700	(27,531)	22,121	(5,410)	129,290	129,290	-	
Fee for exploitation of mineral resources ("royalty fee")	16,038	11,800	4,238	(4,731)	(494)	11,306	11,306	-	3
Licence fee for exploitation and exploration of mineral resources	3,512	4,340	(829)	(3,512)	(4,340)	-	-	-	4
Licence fee for exploitation and exploration of mineral resources /in USD/	4		4		4	4	4	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent	2,064	2,060	4		4	2,064	2,064	-	
Fee for water use		9,000	(9,000)	7,809	(1,192)	7,809	7,809	-	5
Fee for forestry use and firewood	570		570		570	570	570	-	
Fee for recruiting foreign experts and workers	84,982	107,500	(22,518)	22,555	37	107,537	107,537	-	6
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	114	3,915	(3,801)	-	1,984	114	5,899	(5,785)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant law		3,915	(3,915)		1,870		5,785	(5,785)	7

B32. "Khunanjinlen" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	114		114			114	114	114	- 7
4. Dividends on state and local property	-	-	-			-	-	-	-
Dividends on state property			-			-	-	-	-
Dividends on local property			-						-
5. Other payments to recipient government	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government			-			-	-	-	-
Other			-			-	-	-	-
6. Donations to Governmental organisations	-	4,750	(4,750)	4,600	(150)	4,600	4,600	4,600	-
Monetary donation from business entity to ministries and agencies			-						-
Monetary donation from business entity to aimag			-						-
Monetary donation from business entity to soums		4,750	(4,750)	4,600	(150)	4,600	4,600	4,600	- 8
Monetary donation from business entity to local organisations			-						-
Funds disbursed by company in sustainable development and community relations			-						-
7. Costs disbursed for protection of the environment	2,000	2,000	-	-	-	2,000	2,000	2,000	-
In kind contribution at rate of 50% to environmental special account	2,000	2,000	-			2,000	2,000	2,000	-
Costs disbursed for protection of the environment			-						-
Total	189,560	215,900	(26,340)	28,393	7,839	217,953	223,738	(5,785)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(5,785)

Net differences

(5,785)

B32. "Khunanjinlen" LLC

Brief introduction

"Khunanjinlen" LLC is 100% private company and operates gold mining in Eruu soum of Selenge aimag. The company is registered with the Tax authority of Sukhbaatar district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The under reporting by the company and the government was confirmed by their respective details.

2. Customs tax

The company should report customs tax and VAT separately. But the company didn't provide detailed information. Therefore we mad adjustment according to government reporting.

3. Fee for exploitation of mineral resources ("royalty fee")

Initially reported amount was overstated in the government details and understated in the company details. Per the government reporting, the payment to Selenge aimag and SRD on July 7 was doubled. We made adjustments accordingly.

4. Licence fee for exploitation and exploration of mineral resources

Company reported Licence fee in MNT, but the government reported it in USD. Based on the details, we have made adjustment.

5. Fee for water use

Initially the government didn't report a water use fee which is paid by the company to Eruu soum, Selenge aimag. We made adjustment based on confirmation with Tax authority of Selenge aimag.

6. Fee for recruiting foreign experts and workers

Initially, the government didn't report an amount which was paid by the company to Eruu soum, Selenge aimag.

7. Charge, service charges

We sent confirmation letter to relevant local organisations. But replies from the organisation were insufficient and unclear. The difference has left unresolved.

8. Donations to Governmental organisations

Over reporting of MNT 150 thousand by the company was adjusted according to confirmation with governing office of Eruu soum, Selenge aimag.

Disclosure:

We sent a letter requesting detailed information to the company on March 25, 2010 and received reply on April 23, 2010.

Summary:

For charge, service charges, the difference could not be resolved since the information sources are unclear, and the amounts which the company has reported are too small to confirm with the government reporting

B33. "Adamas mining" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	180,475	-	180,474	-	180,525	180,475	180,525	(51)	
Corporate income tax	167,827		167,827		167,827	167,827	167,827	-	1
Customs tax	12,360		12,360		12,360	12,360	12,360	-	2
Windfall tax			-					-	
Real estate tax			-					-	
Excise tax on imported fuel and lubricants			-					-	
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles	288		288		339	288	339	(51)	
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	314	22,498	(22,184)	20,023	(2,161)	20,337	20,337	-	
Fee for exploitation of mineral resources ("royalty fee")		13,632	(13,632)	13,632		13,632	13,632	-	3
Licence fee for exploitation and exploration of mineral resources		2,491	(2,491)		(2,491)		-	-	4
Licence fee for exploitation and exploration of mineral resources /in USD/	314		314	16	330	330	330	-	4
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent		2,304	(2,304)	2,304		2,304	2,304	-	5
Fee for water use		4,071	(4,071)	4,071		4,071	4,071	-	6
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers			-					-	
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	28	-	28	-	28	28	28	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant			-					-	

B33. "Adamas mining" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
law									
Custom service fee	28		28	28		28	28	28	-
4. Dividends on state and local property	-	-	-	-	-	-	-	-	-
Dividends on state property			-			-	-	-	-
Dividends on local property		-	-						-
5. Other payments to recipient government	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government			-			-	-	-	-
Other			-			-	-	-	-
6. Donations to Governmental organisations	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies			-						-
Monetary donation from business entity to aimag			-						-
Monetary donation from business entity to soums			-			-	-	-	-
Monetary donation from business entity to local organisations			-						-
Funds disbursed by company in sustainable development and community relations			-						-
7. Costs disbursed for protection of the environment	1,500	75,100	(73,600)	-	(73,600)	1,500	1,500	-	-
In kind contribution at rate of 50% to environmental special account	1,500	1,500	-			1,500	1,500	1,500	-
Costs disbursed for protection of the environment		73,600	(73,600)		(73,600)		-	-	7
Total	182,316	97,598	84,718	20,023	104,792	202,340	202,390	(51)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(51)

Net differences

(51)

B33. "Adamas mining" LLC

Brief introduction

"Adamas Mining" LLC, a subsidiary of Japanese Financial Planning and Research Company, has 50 Licences for several minerals exploration and mining. The company is registered with the tax authority of Bayangol district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The government overstated amount of MNT 2,677.6 thousand which is paid by company for a penalty imposed by tax inspection. We deducted it.

2. Customs tax

The customs tax payment not reported initially by the company was corrected by the respective details.

3. Fee for exploitation of mineral resources ("royalty fee")

Per company details, the company reported a payment which was not reported by the government initially. We made adjustment based on details from two parties.

4. Licence fee for exploitation and exploration of mineral resources

Company reported Licence fee in MNT, but the government reported it in USD. Based on the details, we have made adjustment.

5. Land rent fee

The company reported a land rental fee which was not included in government detailed information. We have made adjustment based on information received from Tax authority of Bulgan aimag.

6. Fee for water use

The company reported a water use fee which was not included in government detailed information. We have made adjustment based on information received from Tax authority of Bulgan aimag.

7. Costs disbursed for protection of the environment

The company reported amount of expenditure for the environment protection initially. However it wasn't confirmed by the respective details. Therefore we have deducted it.

Disclosure:

We sent letter requesting detailed information to the company on March 25, 2010 and received reply on April 20, 2010. Received detailed information didn't meet our requirement. So we sent a request again.

Summary:

For this company, there is no any unresolved difference except small difference of tax on automobiles and self moving vehicles.

B34. "Zuriin bulan" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	128,772	115,248	13,525	3	13,528	128,776	128,776	-	
Corporate income tax	1,200		1,200		1,200	1,200	1,200	-	1
Customs tax			-					-	
Windfall tax	127,481	115,141	12,340	3	12,343	127,484	127,484	-	2
Real estate tax			-					-	
Excise tax on imported fuel and lubricants			-					-	
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles	92	107	(15)		(15)	92	92	-	
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	26,972	244,083	(217,111)	210,504	(6,606)	237,477	237,477	-	
Fee for exploitation of mineral resources ("royalty fee")	16,676	20,071	(3,396)	4,910	1,514	21,585	21,585	-	3
Licence fee for exploitation and exploration of mineral resources	57	7,389	(7,332)		(7,332)	57	57	-	4
Licence fee for exploitation and exploration of mineral resources /in USD/	4		4		4	4	4	-	4
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent	1,648	17,971	(16,323)	16,464	141	18,112	18,112	-	5
Fee for water use	7,521	24,788	(17,267)	15,267	(2,000)	22,788	22,788	-	6
Fee for forestry use and firewood	1,066		1,066		1,066	1,066	1,066	-	7
Fee for recruiting foreign experts and workers		173,863	(173,863)	173,863		173,863	173,863	-	8
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	-	6,789	(6,789)	-	4,112	-	10,901	(10,901)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant law		6,789	(6,789)		4,112		10,901	(10,901)	9

B34. "Zuriin bulan" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee			-					-	
4. Dividends on state and local property	-	-	-					-	
Dividends on state property			-				-	-	
Dividends on local property			-					-	
5. Other payments to recipient government	-	-	-	-	-	-	-	-	
Entitlement under Production Sharing Contract with the government			-				-	-	
Other			-				-	-	
6. Donations to Governmental organisations	-	1,250	(1,250)	1,250	-	1,250	1,250	-	
Monetary donation from business entity to ministries and agencies			-					-	
Monetary donation from business entity to aimag			-					-	
Monetary donation from business entity to soums		1,250	(1,250)	1,000	(250)	1,000	1,000	-	10
Monetary donation from business entity to local organisations			-	250	250	250	250	-	
Funds disbursed by company in sustainable development and community relations			-					-	
7. Costs disbursed for protection of the environment	3,000	4,000	(1,000)	-	(1,000)	3,000	3,000	-	
In kind contribution at rate of 50% to environmental special account	3,000	4,000	(1,000)		(1,000)	3,000	3,000	-	11
Costs disbursed for protection of the environment			-					-	
Total	158,745	371,369	(212,625)	211,758	10,034	370,502	381,403	(10,901)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(10,901)

Net differences

(10,901)

B34. "Zuriin bulan" LLC

Brief introduction

"Zuriin bulan" LLC is 100% private company and operates gold mining in Eruu soum of Selenge aimag and Khongor soum of Darkhan-Uul aimag. The company is registered with the Tax authority of Sukhbaatar district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The company confirmed by details that they paid CIT.

2. Windfall tax

The under reporting by the company was confirmed by its respective details.

3. Fee for exploitation of mineral resources ("royalty fee")

The under reporting by the government and over reporting by the company was confirmed by their respective details.

4. Licence fee for exploitation and exploration of mineral resources

Company reported Licence fee in MNT, but the government reported it in USD. Based on the details, we have made adjustment.

5. Land rent fee

Initially, the government didn't report land rental fee which was paid by the company to governors of Khongor soum, Darkhan-Uul aimag and Eruu soum, Selenge aimag. We check it with relevant organisations and made adjustment based on replies.

6. Fee for water use

Initially, the government didn't report water use fee which was paid by the company to governors of Khongor soum, Darkhan-Uul aimag and Eruu soum, Selenge aimag. We check it with relevant organisations and made adjustment based on replies.

7. Fee for forest firewood use

The company didn't report any amount in its initial report and details. We confirmed through confirmation letter that the fee was paid by the company and have made adjustment.

8. Fee for recruiting foreign experts and workers

The amount not reported by the government was confirmed by its respective details.

9. Charge, service charges

We sent confirmation letter to relevant local organisations. But replies from the organisation were insufficient and unclear. The difference has left unresolved.

10. Donations to Governmental organisations

We sent confirmation letter on amount reported by the company to governor of Eruu soum, Selenge aimag and have made adjustment based on the reply.

11. In kind contribution at rate of 50% to environmental special account

The over reporting by the company was confirmed by respective details from the company and the government.

Disclosure:

We sent letter requesting detailed information on March 25, 2010 and received reply on April 23, 2010.

Summary:

For charge, service charges, the difference could not be resolved since the information sources are unclear, and the amounts which the company has reported are too small to confirm with the government reporting.

B35. "Dazan trade" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	65,001	64,271	730	(315)	415	64,686	64,686	-	
Corporate income tax	700	700	-			700	700	-	
Customs tax			-					-	
Windfall tax	60,000	60,000	-			60,000	60,000	-	
Real estate tax	1,943	1,639	304		304	1,943	1,943	-	1
Excise tax on imported fuel and lubricants			-					-	
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles	2,359	1,922	437	(315)	122	2,044	2,044	-	2
Other taxes in monetary value (1)		10	(10)		(10)			-	
Other taxes in monetary value (2)			-					-	
2. Fees	76,252	105,199	(28,947)	9,567	(19,381)	85,819	85,819	-	
Fee for exploitation of mineral resources ("royalty fee")	48,010	48,010	-			48,010	48,010	-	
Licence fee for exploitation and exploration of mineral resources	28,226	47,146	(18,920)		(18,920)	28,226	28,226	-	3
Licence fee for exploitation and exploration of mineral resources /in USD/	16		16	(3)	13	13	13	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent		6,779	(6,779)	6,306	(473)	6,306	6,306	-	4
Fee for water use		3,264	(3,264)	3,264		3,264	3,264	-	5
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers			-					-	
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	-	-	-	-	-	-	-	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant law			-					-	

B35. "Dazan trade" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee			-					-	
4. Dividends on state and local property	-	-	-					-	
Dividends on state property			-					-	
Dividends on local property		-	-					-	
5. Other payments to recipient government	-	-	-	-	-	-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	3,200	(3,200)	400	(800)	400	2,400	(2,000)	
Monetary donation from business entity to ministries and agencies		100	(100)	400	300	400	400	-	6
Monetary donation from business entity to aimag		500	(500)		(500)	-	-	-	6
Monetary donation from business entity to soums		600	(600)		1,400	-	2,000	(2,000)	6
Monetary donation from business entity to local organisations		2,000	(2,000)		(2,000)	-	-	-	6
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	15,600	8,220	7,380	(8,080)	(700)	7,520	7,520	-	
In kind contribution at rate of 50% to environmental special account	600	700	(100)		(100.0)	600	600	-	
Costs disbursed for protection of the environment	15,000	7,520	7,480	(8,080.0)	(600.0)	6,920	6,920	-	7
Total	156,853	180,890	(24,037)	1,572	(20,465)	158,425	160,425	(2,000)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(2,000)

Net differences

(2,000)

B35. "Dazan trade" LLC

Brief introduction

"Dazing trade" LLC is 100% Mongolian company and operates gold mining in Umnugobi, Tarialan, Khyargas soums of Uvs aimag and Eruu soum of Tuv aimag. The company is registered with the Tax authority of Sukhbaatar district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Real estate tax

The company understated real estate tax amounting to MNT 303.9 thousand, including MNT 158 thousand offset amount against PIT and MNT 145.3 thousand paid on December 30.

2. Tax on automobiles and self moving vehicles

The government overstated amount of MNT 315 thousand and the company understated amount of MNT 121.5 thousand paid on April 8. We have made adjustments accordingly.

3. Licence fee for exploitation and exploration of mineral resources

Company reported Licence fee in MNT, but the government reported it in USD. Based on the details, we have made adjustment.

4. Land rent fee

The government didn't report land rental fee paid to Capital land office, Uvs and Tuv aimags. We check it with relevant organisations and made adjustment based on replies.

5. Fee for water use

The government didn't report water use fee which is paid by the company to local governing office of Tarialan soum in Uvs aimag. We check it with relevant organisations and made adjustment based on replies.

6. Donations to Governmental organisations

Donation of MNT 2,000 thousand reported by the company was spent for local governing office, not for local organisations. We have adjusted it. Also donation of MNT 620 thousand was spent for private company and it was adjusted. We sent a confirmation letter (№2/16) to governor of Tarialan soum, Uvs aimag on April 5, but didn't receive reply. Therefore the difference has left unresolved.

7. Costs disbursed for protection of the environment

During reconciliation work, our team checked the company detailed information with the "Environment information & plan" report (Form.BOX-3) by MOET and made appropriate adjustment.

Disclosure:

We sent a letter requesting detailed information on March 25, 2010 and received reply on April 1, 2010.

Summary:

Difference regarding donation for soum has left unresolved due to no information was received from the recipient. We sent confirmation letter (№2/16) to governor of Uvs aimag on April 5 and didn't receive reply.

B36. "Erel" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	114,095	-	114,095	23,750	137,845	137,845	137,845	-	
Corporate income tax			-	11,541	11,541	11,541	11,541	-	1
Customs tax	102,128		102,128		102,128	102,128	102,128	-	2
Windfall tax			-					-	
Real estate tax	4,175		4,175	10,341	14,516	14,516	14,516	-	3
Excise tax on imported fuel and lubricants	2,321		2,321		2,321	2,321	2,321	-	4
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles	5,471		5,471	1,869	7,340	7,340	7,340	-	5
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	33,776	-	33,776	136,356	170,668	170,132	170,668	(536)	
Fee for exploitation of mineral resources ("royalty fee")			-	9,096	9,096	9,096	9,096	-	6
Licence fee for exploitation and exploration of mineral resources	4,009		4,009		4,009	4,009	4,009	-	7
Licence fee for exploitation and exploration of mineral resources /in USD/	2		1		2	2	2	-	
Reimbursement of deposit, exploration of which is carried by the budget fund	29,766		29,765		29,766	29,766	29,766	-	8
Land rent			-	127,260	127,796	127,260	127,796	(536)	9
Fee for water use			-					-	
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers			-					-	
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	2,930	-	2,930	-	4,041	2,930	4,041	(1,111)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-		1,111	-	1,111	(1,111)	10
Service charges paid to state and local administration in accordance with relevant law			-					-	

B36. "Erel" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	2,930		2,930		2,930	2,930	2,930	-	
4. Dividends on state and local property	-	-	-		-	-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-					-	
5. Other payments to recipient government	-	-	-	-	-	-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	-	-	867	867	867	867	-	
Monetary donation from business entity to ministries and agencies			-					-	
Monetary donation from business entity to aimag			-			-	-	-	
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-	867	867	867	867	-	11
Funds disbursed by company in sustainable development and community relations			-					-	
7. Costs disbursed for protection of the environment	-	-	-	364	364	364	364	-	
In kind contribution at rate of 50% to environmental special account			-					-	
Costs disbursed for protection of the environment			-	364	364	364	364	-	
Total	150,801	-	150,801	161,336	313,784	312,137	313,784	(1,647)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(1,647)

Net differences

(1,647)

B36. "Erel" LLC

Brief introduction

"Erel" LLC is 100% private company and operates gold mining in Darkhan-Uul aimag.

The company is registered with the Capital tax authority.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The government understated CIT initially, but it was corrected in respective details. The company didn't submit its 2008 report and submitted the report in process of our review. We have made appropriate adjustment.

2. Customs tax

The company didn't submit its 2008 report and submitted the report and its details in process of our review. We have made appropriate adjustment based on this information.

3. Real estate tax

The government understated real estate tax initially, but it was corrected in respective details. The company didn't submit its 2008 report and submitted the report together with details in process of our review. We have made appropriate adjustment.

4. Excise tax on imported fuel and lubricants

The company didn't submit its 2008 report and submitted the report together with details in process of our review. We have made appropriate adjustment based on the information.

5. Tax on automobiles and self moving vehicles

The company didn't submit its 2008 report and submitted the report together with details in process of our review. The Company reported amount was greater than government reported amount. As a result of confirmation with government, it was confirmed that the payment to Tax authority of Darkhan-Uul aimag was understated in government reporting.

6. Fee for exploitation of mineral resources ("royalty fee")

Government didn't report the fee paid to the Tax authority of Darkhan-Uul and Dornogobi aimags which is included in company reporting. We check with relevant organisations and made adjustment.

7. Licence fee for exploitation and exploration of mineral resources

Company reported Licence fee in MNT, but the government reported it in USD. Based on the details, we have made adjustment.

8. Reimbursement of deposit, exploration of which is carried by the budget fund

The company didn't submit its 2008 report and submitted the report and its details in process of our review. We have made appropriate adjustment based on this information.

9. Land rent fee

Company reported by its details that the company paid land rental fee paid by the company to Capital land office, Khongor soum of Darkhan-Uul aimag and Saikhandulaan soum of Dornogobi aimag which is not included in the government reporting. We sent confirmation request to the relevant organisations. The Tax authority of Saikhandulaan soum, Dornogobi aimag replied that they didn't receive this payment. Therefore the difference wasn't resolved.

10. Charge, service charges

The company didn't submit its 2008 report and submitted the report and its details in process of our review. But it has too small amount to confirm with the government reporting.

11. Donations to Governmental organisations

We sent a confirmation letter on donation included in the company report and details to governor of Darkhan-Uul aimag. Also we have confirmed it during our trip in Darkhan-Uul aimag.

Disclosure:

We sent a letter requesting detailed information on March 25, 2010 and received reply on April 21, 2010.

Summary:

For charge, service charges, the difference could not be resolved since the information sources are unclear, and the amounts which the company has reported are too small to confirm with the government reporting.

B37. "Tethys mining" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	120,143	95,702	24,441	(22,446)	1,994	97,696	97,696	-	
Corporate income tax	78,865	90,994	(12,130)	12,130		90,994	90,994	-	1
Customs tax	6,702	4,708	1,994		1,994	6,702	6,702	-	2
Windfall tax			-					-	
Real estate tax	33,934		33,934	(33,934)		-	-	-	3
Excise tax on imported fuel and lubricants			-					-	
Tax on petrol and diesel fuel			-					-	
Tax on automobile and self moving vehicles	642		642	(642)		-	-	-	
Other taxes in monetary value (1)			-					-	
Other taxes in monetary value (2)			-					-	
2. Fees	18,329	871,232	(852,903)	(8,521)	(861,423)	9,808	9,808	-	
Fee for exploitation of mineral resources ("royalty fee")	8,700		8,700	(8,700)		-	-	-	4
Licence fee for exploitation and exploration of mineral resources		862,938	(862,938)		(862,938)	-	-	-	5
Licence fee for exploitation and exploration of mineral resources /in USD/	761		761	(21)	740	740	740	-	5
Reimbursement of deposit, exploration of which is carried by the budget fund			-					-	
Land rent	2,173		2,173	(2,173)		-	-	-	6
Fee for water use		5,701	(5,701)	2,372	(3,329)	2,372	2,372	-	7
Fee for forestry use and firewood			-					-	
Fee for recruiting foreign experts and workers	6,696	2,592	4,104		4,104	6,696	6,696	-	8
Fee for use of mineral resources of widespread deposit			-					-	
Other			-					-	
3. Charges and service charges	112	162	(50)	-	(50)	112	112	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-					-	
Service charges paid to state and local administration in accordance with relevant law			-					-	

B37. "Tethys mining" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	112	162	(50)		(50)	112	112	-	
4. Dividends on state and local property	-	-	-		-	-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-					-	
5. Other payments to recipient government	-	-	-	-	-	-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	-	-	-	-	-	-	-	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag			-			-	-	-	
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	-	15,070	(15,070)	15,070	-	15,070	15,070	-	
In kind contribution at rate of 50% to environmental special account		15,070	(15,070)	15,070		15,070	15,070	-	9
Costs disbursed for protection of the environment			-					-	
Total	138,584	982,166	(843,582)	(15,897)	(859,479)	122,687	122,687	-	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

-

Net differences

-

B37. "Tethys mining" LLC

Brief introduction

"Tethys mining" LLC is a Mongolian-Brazilian joint company established under Mongolian law and regulations and operates gold mining. The company is registered with the Capital Tax authority.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

Initially company understated CIT and we adjusted it based on details from the company.

2. Customs tax

Initially company understated customs tax and we adjusted it based on details from the company.

3. Real estate tax

Based on the government details, it was confirmed that the real state tax was not received by government. We made appropriate adjustment.

4. Fee for exploitation of mineral resources ("royalty fee")

Based on the government details, it was confirmed that the fee was not received by government. We made appropriate adjustment.

5. Licence fee for exploitation and exploration of mineral resources

Company reported the Licence fee in MNT and government reported it in USD. We made adjustment on this difference based on detailed information.

6. Land rent fee

Based on the government details, it was confirmed that the land rental fee was not received by government. We made adjustment accordingly.

7. Fee for water use

The government didn't report water use fee which was paid to Murun soum, Kentii aimag by the company per respective details. Based on information from Tax authority of Khentii aimag, the difference was resolved. The Company recorded environment protection expenditure paid to local governing office of Chandmani & Bugat soums in Gobi-Altai aimag which was reported as doubled and it was adjusted.

8. Fee for recruiting foreign experts and workers

It was confirmed by details that the company understated its payment initially.

9. In kind contribution at rate of 50% to environmental special account

The company exploration activities cover several soums area of most aimags and the payments were transferred to relevant local governing office as shown in details. The Government didn't report exploration Licence fee paid to the local governing offices.

Disclosure:

We sent letter requesting detailed information to the company on March 25, 2010 and received reply on April 5, 2010.

Summary:

In kind contribution at rate of 50% to environmental special account has too small amount to confirm with the government reporting. We made adjustments based on supporting documents and there is no any unresolved difference.

B38. "Shijir talst" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	110,446	111,294	(849)	-	(170)	110,446	111,125	(679)	
Corporate income tax	1,240	1,240	0		0	1,240	1,240		-
Customs tax			-			-	-	-	-
Windfall tax	109,206	109,206	-		-	109,206	109,206		-
Real estate tax			-			-	-	-	-
Excise tax on imported fuel and lubricants			-			-	-	-	-
Tax on petrol and diesel fuel			-			-	-	-	-
Tax on automobile and self moving vehicles		849	(849)		(170)	-	679	(679)	1
Other taxes in monetary value (1)			-			-	-	-	-
Other taxes in monetary value (2)			-			-	-	-	-
2. Fees	26,009	28,350	(2,341)	1,243	(1,098)	27,252	27,252		
Fee for exploitation of mineral resources ("royalty fee")	19,303	20,545	(1,242)	1,243	1	20,546	20,546		2
Licence fee for exploitation and exploration of mineral resources	4,374	4,374	-			4,374	4,374		-
Licence fee for exploitation and exploration of mineral resources /in USD/			-			-	-	-	-
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	-
Land rent	1,693	1,693	-			1,693	1,693		-
Fee for water use	639	1,738	(1,098)		(1,098)	639	639		3
Fee for forestry use and firewood			-			-	-	-	-
Fee for recruiting foreign experts and workers			-			-	-	-	-
Fee for use of mineral resources of widespread deposit			-			-	-	-	-
Other			-			-	-	-	-
3. Charges and service charges	-	-	-			-	-	-	-
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	-
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	-

B38. "Shijir talst" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee			-				-	-	-
4. Dividends on state and local property	-	-	-				-	-	-
Dividends on state property			-				-	-	-
Dividends on local property		-	-				-	-	-
5. Other payments to recipient government	-	-	-				-	-	-
Entitlement under Production Sharing Contract with the government			-				-	-	-
Other			-				-	-	-
6. Donations to Governmental organisations	-	-	-				-	-	-
Monetary donation from business entity to ministries and agencies			-				-	-	-
Monetary donation from business entity to aimag			-				-	-	-
Monetary donation from business entity to soums			-				-	-	-
Monetary donation from business entity to local organisations			-				-	-	-
Funds disbursed by company in sustainable development and community relations			-				-	-	-
7. Costs disbursed for protection of the environment	38	-	38	(38)	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account			-				-	-	-
Costs disbursed for protection of the environment	38		38	(38)		-	-	-	-
Total	136,493	139,644	(3,151)	1,205	(1,267)	137,698	138,377	(679)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

Payments reported by companies which exceed the corresponding receipts reported by Government Entities (679)

Net differences (679)

B38. "Shijir talst" LLC

Brief introduction

"Shijir talst" LLC operates gold and silver mining in Bayangol soum, Selenge aimag.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Tax on automobiles and self moving vehicles

The company reported service charges payment in this item and we adjusted it. The company confirmed that paid tax of MNT 679 thousand to Tax authority of Darkhan-Uul aimag. But the Tax authority of Darkhan-Uul aimag reported that they didn't receive the tax payment. The difference left unresolved.

2. Fee for exploitation of mineral resources ("royalty fee")

Government accepted its misstatement by details and we have made adjustment.

3. Fee for water use

We confirmed that the company included its payment to Water economizing centre, NGO, in this item. We have adjusted it by deducting this amount in the company reporting.

Disclosure:

We sent letter requesting detailed information on March 26, 2010 and received the detailed information on March 29, 2010 and April 3, 2010. The detailed information for the parties has still difference. We sent confirmation letter on it again on April 27, 2010 and received explanation after 2 days on the phone.

Summary:

The difference of MNT 679 thousand has left unresolved. It is due to the government didn't accept the tax payment confirmed by the company.

B39. "Uuls zaamar" LLC

Taxes, fees, charges payed from companies to local government	Government	Company Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	96,037	106,579	(10,541)	-	(10,540)	96,037	96,038	(1)	
Corporate income tax	12,434		12,434		12,435	12,434	12,435	(1)	1
Customs tax			-			-	-	-	
Windfall tax	83,444	106,334	(22,890)		(22,890)	83,444	83,444	-	2
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	159		159		159	159	159	-	3
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)		245	(245)		(245)	-	-	-	
2. Fees	35,159	43,121	(7,962)	26,918	18,867	62,078	61,988	90	
Fee for exploitation of mineral resources ("royalty fee")	20,550	23,866	(3,316)	8,807	5,492	29,358	29,358	-	4
Licence fee for exploitation and exploration of mineral resources	14,609	14,519	90			14,609	14,519	90	
Licence fee for exploitation and exploration of mineral resources /in USD/			-			-	-	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		4,736	(4,736)	18,111	13,375	18,111	18,111	-	5
Fee for water use			-			-	-	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	-	-	-			-	-	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	

B39. "Uuls zaamar" LLC

Taxes, fees, charges payed from companies to local government	Government	Company Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee			-			-	-	-	
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property			-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	1,000	(1,000)	-	(1,000)	-	-	-	6
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag			-			-	-	-	
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations		1,000	(1,000)		(1,000)	-	-	-	6
7. Costs disbursed for protection of the environment	-	-	-			-	-	-	
In kind contribution at rate of 50% to environmental special account			-			-	-	-	
Costs disbursed for protection of the environment			-			-	-	-	
Total	131,197	150,700	(19,503)	26,918	7,327	158,115	158,026	89	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies	90
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	(1)
Net differences	89

B39. "Uuls zaamar" LLC

Brief introduction

The company locates in Orkhon aimag and operates gold mining in Zaamar soum, Tuv aimag.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

Initially company didn't report CIT payment. During our review, we confirmed that the tax was paid by the company and made adjustment.

2. Windfall tax

The initial difference was due to the company's misstatement and was adjusted based on detailed information.

3. Tax on automobiles and self moving vehicles

Initially company didn't report any amount. During our review, we confirmed that the tax was paid by the company and made adjustment.

4. Fee for exploitation of mineral resources ("royalty fee")

The initial figures were changed by next submission from the Government. Some payment was made by Mongolrustsvetmet LLC that has a share of the company. We made adjustments accordingly.

5. Land rent fee

The government didn't report any land rental fee initially. Based on information from the company and Tax authority of Tuv aimag, it was confirmed that the company paid land rental fee and we made adjustment.

6. Donations to Governmental organisations

Funds disbursed by company in sustainable development and community relations:

The company included membership fee in its report, but it doesn't belong to sustainable development and community relations. We have adjusted deducting in the company report.

Disclosure:

We sent an official letter requesting detailed information from the company, on March 26, 2010 and received the detailed information on April 8, 2010 and April 3, 2010.

Summary:

There is no unresolved difference for this company.

B40. "Aduunchuluun" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	54,058	47,062	6,996	5,240	12,236	59,298	59,298	-	
Corporate income tax	33,633	41,629	(7,996)	5240	(2,756)	38,873.00	38,873.00	-	1
Customs tax	14,992		14,992	-	14,992	14,992.00	14,992.00	-	2
Windfall tax			-	-	-	-	-	-	
Real estate tax	2,462	2,462	-	-	-	2,462.00	2,462.00	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	2,971	2,971	-	-	-	2,971.20	2,971.20	-	
Other taxes in monetary value (1)			-	-	-	-	-	-	
Other taxes in monetary value (2)			-	-	-	-	-	-	
2. Fees	67,597	67,597	-	-	-	67,597	67,597	-	
Fee for exploitation of mineral resources ("royalty fee")	58,404	58,404	-	-	-	58,404	58,404	-	
Licence fee for exploitation and exploration of mineral resources	527	527	-	-		527	527	-	
Licence fee for exploitation and exploration of mineral resources /in USD/			-			-	-	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent	8,606	8,606	-	-	-	8,606	8,606	-	
Fee for water use	60	60	-	-	-	60	60	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	194	7,120	(6,926)	-	194	194	7,314	-7120	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law		7,120	(7,120)		-	-	7,120	(7,120)	3
Service charges paid to state and local administration in accordance with relevant law			-		-	-	-	-	

B40. "Aduunchuluun" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	194		194			194	194	-	4
4. Dividends on state and local property	-	-	-	-	-	-	-	-	
Dividends on state property	-	-	-	-	-	-	-	-	
Dividends on local property	-	-	-	-	-	-	-	-	
5. Other payments to recipient government	-	-	-	-	-	-	-	-	
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
6. Donations to Governmental organisations	-	-	-	-	-	-	-	-	
Monetary donation from business entity to ministries and agencies			-	-		-	-	-	
Monetary donation from business entity to aimag			-			-	-	-	
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	9500	9515.6	-15.6	16		9516	9515.6	0.4	
In kind contribution at rate of 50% to environmental special account	1,200.0	1,215.6	(16)	16		1,216.00	1,215.60	0.40	5
Costs disbursed for protection of the environment	8,300.0	8,300.0	-			8,300.00	8,300.00	-	
Total	131,349	131,295	54	5,256		12,430	136,605	143,725	(7,120)

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(7,120)

Net differences

(7,120)

B40. "Aduunchuluun" JSC

Brief introduction

"Aduunchuluun" JSC runs its operation in Dornod aimag and was established in 1954. The company extended its operation in 1964 and had capacity of 600 thousand ton coal extraction a year. The company was privatized in 1999 and its operation is going normally. Starting from 2000, the company has increased its capacity to 1 million ton coal extraction a year and provides eastern aimags with coal. It is registered with the Tax authority of Dornod aimag.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

The CIT payment was reported MNT 33,633.1 thousand per government reporting, MNT 41,629.3 thousand per company reporting initially. Based on detailed information, we adjusted decreasing company amount by MNT 2,756 thousand and increasing government amount by MNT 5,240 thousand.

2. Customs tax

Per government reporting, customs tax of MNT 14,993 thousand was paid. Based on detailed information from the company, difference of MNT 14,993 thousand was resolved.

3. Stamp and other charge for state registration paid to state and local administration in accordance with relevant law

The government didn't report any charges and the company reported amount of MNT 7,120 thousand initially. The difference wasn't resolved due to it was unable to confirm with the company and the government.

4. Customs service fee

The government reported customs service fee of MNT 194 thousand and the company didn't report any amount. Per detailed information, it was confirmed that the company has paid customs service fee of MNT 194 thousand. We made adjustment accordingly.

Disclosure:

We sent an official letter requesting detailed information from the company, on March 25, 2010 and received the detailed information on March 29, 2010. However, the information was not satisfactory, not in details, so, we have sent back to breakdown the amounts. Eventually, the difference was resolved after contacting several times.

Summary:

For this company, the unresolved differences are related to stamp and other charge for state registration paid to state and local administration in accordance with relevant law and other fees.

B41. "Berleg mining" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	123,633	2	123,631	-	123,631	123,633	123,633	-	
Corporate income tax			-			-	-	-	
Customs tax	111,843		111,843		111,843	111,843	111,843	-	1
Windfall tax	5,515		5,515		5,515	5,515	5,515	-	2
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants	5,780		5,780		5,780	5,780	5,780	-	3
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	495	2	493		493	495	495	-	4
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	765	5	760	2,900	3,660	3,665	3,665	-	
Fee for exploitation of mineral resources ("royalty fee")	758		758		758	758	758	-	5
Licence fee for exploitation and exploration of mineral resources			-			-	-	-	
Licence fee for exploitation and exploration of mineral resources /in USD/	7		7		7	7	7	-	6
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		4	(4)	2,071	2,067	2,071	2,071	-	7
Fee for water use		1	(1)	829	828	829	829	-	8
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	390	-	390	-	390	390	390	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	

B41. "Berleg mining" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee	390		390		390	390	390	-	9
4. Dividends on state and local property	-	-	-	-	-	-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-			-	-	-	
5. Other payments to recipient government	-	-	-	-	-	-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-		-	-	-	-	-	-	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag			-			-	-	-	10
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	-	6	(6)	-	-	-	-	6	(6)
In kind contribution at rate of 50% to environmental special account		3	(3)		-	-	-	3	(3)
Costs disbursed for protection of the environment		3	(3)		-	-	-	3	(3)
Total	124,788	13	124,775	2,900	127,681	127,688	127,694	(6)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies -

Payments reported by companies which exceed the corresponding receipts reported by Government Entities (6)

Net differences (6)

B41. "Berleg mining" LLC

Brief introduction

"Berleg mining" LLC operates gold mining in Eruu soum, Selenge aimag, mainly starting from 2008. The company extracted 28.51 ounce gold in 2008 and registered with the Tax authority of Sukhbaatar district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Customs tax

Government reported that customs tax amounting to MNT 111,843 thousand was received. The Company submitted its report in process of our review and confirmed it.

2. Windfall tax

Government reported that windfall tax amounting to MNT 5,515 thousand was received. The Company submitted its report in process of our review and confirmed it.

3. Excise tax on imported fuel and lubricants

Government reported that excise tax amounting to MNT 5,780 thousand was received. It was match with detailed information from the company.

4. Tax on automobiles and self moving vehicles

Government reported that the tax amounting to MNT 493 thousand was received. The Company submitted its report in process of our review and confirmed it.

5. Fee for exploitation of mineral resources ("royalty fee")

Government reported that the fee amounting to MNT 758 thousand was received. The Company submitted its report in process of our review and confirmed it.

6. Licence fee for exploitation and exploration of mineral resources /in USD/

Government reported that the Licence fee amounting to USD 7 was received. The Company submitted its report in process of our review and confirmed it.

7. Land rent fee

Per government reporting, no land rental fee was reported. But company misstated initially. We confirmed that land rental fee MNT 2071.2 thousand was paid by the company to the government based on detailed information and made adjustment accordingly.

8. Fee for water use

The government didn't report any fee for water use and the company misstated the fee. We confirmed that fee of MNT 829 thousand was paid by the company to the government based on detailed information and made adjustment accordingly.

9. Customs service fee

Government reported that the tax amounting to MNT 390 thousand was received. The Company submitted its report in process of our review and confirmed it.

10. Donation from business entities to aimag

Initially, the government didn't report any donation, but the company reported donation of 200 thousand to aimag. The company accepted that donation for the year 2009 was included in 2008 report and sent us its supporting documents. We made adjustment accordingly.

11. In kind contribution at rate of 50% to environmental special account

The government didn't report any amount for this item. But Company reported amount of MNT3 million instead of 3 thousand MNT.

12. Costs disbursed for protection of the environment

The government didn't report any amount for this item. But Company reported amount of MNT3 million instead of 3 thousand MNT.

Disclosure:

Difference regarding environment protection expenditure was unable to be adjusted due to the government reporting is not consistence with accounting principles.

There is a difference generally due to government didn't include in reconciliation report the land and water use fee paid to aimag and soums. Also some differences are due to the company stated amounts in millions instead of in thousand.

The government doesn't have reconciliation for donation; however we could get reports by approaching to aimag and soums.

B42. "Talbulag trade" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	92,617	91,750	867	-	867	92,617	92,617	-	
Corporate income tax	1,784	917	867		867	1,784	1,784	-	1
Customs tax			-			-	-	-	
Windfall tax	90,363	90,363	-			90,363	90,363	-	
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	471	471	-			471	471	-	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	26,495	38,262	(11,767)	11,515	(252)	38,010	38,010	-	
Fee for exploitation of mineral resources ("royalty fee")	10,676	15,251	(4,575)	4,575		15,251	15,251	-	
Licence fee for exploitation and exploration of mineral resources	7,982	7,982	0		0	7,982	7,982	-	
Licence fee for exploitation and exploration of mineral resources /in USD/			-			-	-	-	
Reimbursement of deposit, exploration of which is carried by the budget fund	7,838	7,937	(99)		(100)	7,838	7,838	-	
Land rent		450	(450)	450		450	450	-	2
Fee for water use		6,642	(6,642)	6,489	(153)	6,489	6,489	-	3
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	-	600	(600)	-	(600)	-	-	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law		600	(600)		(600)	-	-	-	4

B42. "Talbulag trade" JSC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee			-			-	-	-	
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property			-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	-	-			-	-	-	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag			-			-	-	-	
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	2,500	2,470	30	-	-	2,500	2,470	30	
In kind contribution at rate of 50% to environmental special account			-			-	-	-	
Costs disbursed for protection of the environment	2,500	2,470	30			2,500	2,470	30	
Total	121,612	133,082	(11,470)	11,515	15	133,126	133,096	30	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies 30

Payments reported by companies which exceed the corresponding receipts reported by Government Entities -

Net differences 30

B42. "Talbulag trade" JSC

Brief introduction

"Talbulag trade" LLC operates gold mining in Bayan-Ovoo soum, Bayankhongor aimag.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

Both of the parties have provided detailed information. We confirmed and made adjustment on understated amount by the company.

2. Land rent fee

The company confirmed its payment, but the government didn't give any information. We approach to the recipient, Tax authority of Bayangobi soum, Bayankhongor aimag and made adjustment.

3. Fee for water use

The company included payment to Water economizing centrein its reporting and we made adjustment. The government didn't provide any information. We confirmed MNT 6,489 thousand with the recipient, Tax authority of Bayankhongor aimag and made adjustment.

4. Service charges paid to state and local administration in accordance with relevant law

In this item, company reported service charge paid to non-government organisation. Based on detailed information from the company, we made adjustment accordingly.

Disclosure:

We send letter requesting detailed information on March 26, 2010 and received reply on April 5, 2010. For difference in detailed information, we sent confirmation letter again on April 27, 2010 and received reply after 2 days.

Summary:

Difference of MNT 30 thousand has left unresolved. It was related to environment protection expenditure and government didn't give confirmation on it.

B43. "Eltrana" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	77,971	77,971	-	-	-	77,971	77,971	-	
Corporate income tax			-			-	-	-	
Customs tax			-			-	-	-	
Windfall tax	77,013	77,013	-			77,013	77,013	-	
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	958	958	-			958	958	-	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	23,192	39,053	(15,861)	6,291	(9,570)	29,483	29,483	-	
Fee for exploitation of mineral resources ("royalty fee")	13,029	13,029	-	-		13,029	13,029	-	
Licence fee for exploitation and exploration of mineral resources		10,207	(10,207)		(10,207)	-	-	-	1
Licence fee for exploitation and exploration of mineral resources /in USD/	40		40	3	43	43	43	-	1
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		6,288	(6,288)	6,288		6,288	6,288	-	2
Fee for water use	6,833	6,833	-			6,833	6,833	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	3,290	2,696	594		594	3,290	3,290	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	-	2,670	(2,670)	-	229	-	2,899	(2,899)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law		2,670	(2,670)		229	-	2,899	(2,899)	3

B43. "Eltrana" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee			-			-	-	-	
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property			-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	1,650	(1,650)	-	(1,650)	-	-	-	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag			-			-	-	-	
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations		1,650	(1,650)		(1,650)	-	-	-	4
7. Costs disbursed for protection of the environment	10,700	10,773	(73)	73	-	10,773	10,773	-	
In kind contribution at rate of 50% to environmental special account	10,700	10,773	(73)	73		10,773	10,773	-	
Costs disbursed for protection of the environment			-			-	-	-	
Total	111,863	132,116	(20,253)	6,363	(10,991)	118,226	121,125	(2,899)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies -

Payments reported by companies which exceed the corresponding receipts reported by Government Entities (2,899)

Net differences (2,899)

B43. "Eltrana" LLC

Brief introduction

"Eltrana" LLC operates gold and silver mining in Buren soum, Tuv aimag.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Licence fee for exploitation and exploration of mineral resources

Both of two parties misstated Licence fee initially. We got detailed information from the parties and made adjustment accordingly.

2. Land rent fee

Company confirmed that paid land rental fee. It is also confirmed by recipient, Tax office of Tuv aimag. We have made adjustment.

3. Service charges paid to state and local administration in accordance with relevant law

The difference wasn't resolved due to the government didn't provide confirmation.

4. Donations to Governmental organisations

Company reported donation amounting to MNT 1,650 thousand initially. But it was not expenditure for donation per respective details.

Disclosure:

We sent letter requesting detailed information to the company on March 26, 2010 and received reply on April 2, 2010. For difference in detailed information from parties, we sent confirmation letter again on May 5, 2010 and received explanation after 6 days.

Summary:

The difference of MNT 2,899 thousand has left unresolved. It was due to the Service charges paid to state and local administration in accordance with relevant law was reported by the company, but not reported by government. The government didn't provide confirmation on it.

B44. "Uurt gold" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	74,965	13,248	61,718	7,710	69,758	82,676	83,006	(330)	
Corporate income tax	1,090	12,648	(11,558)	169.2	(11,388.8)	1,259	1,259	-	1
Customs tax			-			-	-	-	
Windfall tax	73,579		73,579	7,541.2	81,120.5	81,121	81,121	-	2
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	296	600	(304)		26.3	296	626	(330)	3
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	36,746	70,059	(33,313)	28,905	(4,408)	65,651	65,651	-	
Fee for exploitation of mineral resources ("royalty fee")	27,236	38,908	(11,673)	11,672.5		38,908	38,908	-	4
Licence fee for exploitation and exploration of mineral resources	2,654	15,456	(12,802)	9,012.1	(3,789.5)	11,666	11,666	-	5
Licence fee for exploitation and exploration of mineral resources /in USD/	5		5		5.5	5	5	-	5
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent		8,000	(8,000)	8,220.0	220.0	8,220	8,220	-	6
Fee for water use	6,851	6,851	-			6,851	6,851	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers		844	(844)		(844.0)	-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	-	212	(212)	-	(212)	-	-	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law		212	(212)		(211.8)	-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	

B44. "Uurt gold" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Custom service fee			-			-	-	-	
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	2,500	(2,500)	-	(2,500)	-	-	-	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag		1,000	(1,000)		(1,000.0)	-	-	-	7
Monetary donation from business entity to soums		1,500	(1,500)		(1,500.0)	-	-	-	7
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	-	800	(800)	-	(800)	-	-	-	
In kind contribution at rate of 50% to environmental special account		800	(800)		(800.0)	-	-	-	8
Costs disbursed for protection of the environment			-			-	-	-	
Total	111,712	86,819	24,893	36,615	61,838	148,327	148,657	(330)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies

-

Payments reported by companies which exceed the corresponding receipts reported by Government Entities

(330)

Net differences

(330)

B44. "Uurt gold" LLC

Brief introduction

"Uurt Gold" LLC operates gold mining in Uvgunt area of Sergelent soum, Tuv aimag and registered with the Tax Authority of Songinokhairkhan district.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

We have made appropriate adjustment according to detailed information from the company and MTA.

2. Windfall tax

We have made appropriate adjustment according to detailed information from the company and MTA. The difference was due to the company didn't report PIT off-set amount against other tax payments and 2007 overpayment to be reported in 2008.

3. Tax on automobiles and self moving vehicles

We have made appropriate adjustment according to detailed information from the company and MTA. Remaining difference of MNT 330 thousand remained unresolved.

4. Fee for exploitation of mineral resources ("royalty fee")

Government confirmed its understated amount by detailed information. We have made adjustment accordingly.

5. Licence fee for exploitation and exploration of mineral resources

Both of the company and the government have misstated initially. We made appropriate adjustment based on detailed information received from the parties.

6. Land rent fee

We made adjustment according to detailed information received from MTA and company. But difference of MNT 8,000 thousand remained. We confirmed with Tax authority of Tuv aimag that the company paid MNT 8,000 thousand to local fund of Tuv aimag and made adjustment accordingly.

7. Donations to government organisations

The company reported donation of MNT 2,500 thousand to government organisations. However the recipient was non-government organisation and we made adjustment accordingly.

8. In kind contribution at rate of 50% to environmental special account

MOET didn't report any amount initially. But the company reported amount of MNT 4,600 thousand. The company confirmed that the difference was due to the company's misstatement.

Disclosure

We sent letter requesting detailed information to the company on March 26, 2010. And received reply on April 2, 2010. But there is still difference in detailed information and we sent a confirmation letter on April 27, 2010. We received reply on April 27, 2010. The company provides support and assistance in our reconciliation work, however, some information was insufficient.

Summary:

Difference of MNT 330 thousand remained unresolved. This difference is related to tax on automobiles and self moving vehicles.

B45. "Cold gold mongol" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	96,469	96,469	0	-	0	96,469	96,469	-	
Corporate income tax			-			-	-	-	
Customs tax			-			-	-	-	
Windfall tax	96,248	96,248	0		0	96,248	96,248	-	
Real estate tax			-			-	-	-	
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	221	221	-			221	221	-	
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	4	20,323	(20,319)	15,757	(4,562)	15,761	15,761	-	
Fee for exploitation of mineral resources ("royalty fee")		15,757	(15,757)	15,757		15,757	15,757	-	1
Licence fee for exploitation and exploration of mineral resources		4,566	(4,566)		(4,566)	-	-	-	2
Licence fee for exploitation and exploration of mineral resources /in USD/	4		4		4	4	4	-	2
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent			-			-	-	-	
Fee for water use			-			-	-	-	
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers			-			-	-	-	
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	-	-	-			-	-	-	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	
Custom service fee			-			-	-	-	
4. Dividends on state and local property	-	-	-			-	-	-	

B45. "Cold gold mongol" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
Dividends on state property			-			-	-	-	
Dividends on local property		-	-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	10,000	(10,000)	10,000	-	10,000	10,000	-	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag		10,000	(10,000)	10,000		10,000	10,000	-	3
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	4,600	-	4,600	-	4,600	4,600	4,600	-	
In kind contribution at rate of 50% to environmental special account	4,600		4,600		4,600	4,600	4,600	-	4
Costs disbursed for protection of the environment			-			-	-	-	
Total	101,073	126,792	(25,719)	25,757	38	126,830	126,830	-	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies -

Payments reported by companies which exceed the corresponding receipts reported by Government Entities -

Net differences -

B45. "Cold gold Mongol" LLC

Brief introduction

"Cold Gold Mongol" LLC operates gold mining in Bumbugur soum, Bayankhongor aimag and is registered with the Capital Tax Authority.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Fee for exploitation of mineral resources ("royalty fee")

The company reported fee of MNT 15,757 thousand initially. But it wasn't included in the respective details. We have made appropriate adjustment based on the "Statement of Fee for exploitation of mineral resources" received from the company.

2. Licence fee for exploitation and exploration of mineral resources

The difference was due to the Government reported in USD and the company reported in MNT. We made adjustment according to details from the parties.

3. Donation for aimag

Company has given donation of MNT 10,000 thousand to Bayankhongor aimag. Bayankhongor aimag sent us a confirmation letter for the donation was received. We have made adjustment accordingly.

4. In kind contribution at rate of 50% to environmental special account

The government initially reported amount of MNT 4,600 thousand. But it wasn't included in company reporting. Based on company detailed information, we have made appropriate adjustment.

Disclosure:

We sent a letter requesting detailed information to the company on March 26, 2010 and received the detailed information by email on April 30, 2010.

The company's detailed information was received late; however, all the differences are adjusted.

Summary:

For this company, all the differences are adjusted and there is no any unresolved difference.

B46. "Ten khun" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
1. Taxes	4,442	-	4,442	7,184	6,760	11,626	6,760	4,866	
Corporate income tax			-	3,248		3,248	-	3,248	1
Customs tax			-		2,316	-	2,316	(2,316)	2
Windfall tax			-			-	-	-	
Real estate tax	3,831		3,831	3,480	3,831	7,311	3,831	3,480	3
Excise tax on imported fuel and lubricants			-			-	-	-	
Tax on petrol and diesel fuel			-			-	-	-	
Tax on automobile and self moving vehicles	611		611	457	613	1,068	613	455	4
Other taxes in monetary value (1)			-			-	-	-	
Other taxes in monetary value (2)			-			-	-	-	
2. Fees	95,647	-	95,647	-	130,087	95,647	130,087	(34,440)	
Fee for exploitation of mineral resources ("royalty fee")			-			-	-	-	
Licence fee for exploitation and exploration of mineral resources			-			-	-	-	
Licence fee for exploitation and exploration of mineral resources /in USD/	6		6		6	6	6	-	
Reimbursement of deposit, exploration of which is carried by the budget fund			-			-	-	-	
Land rent			-		5,960	-	5,960	(5,960)	5
Fee for water use	3,122		3,122		3,122	3,122	3,122	-	6
Fee for forestry use and firewood			-			-	-	-	
Fee for recruiting foreign experts and workers	92,520		92,520		121,000	92,520	121,000	(28,480)	7
Fee for use of mineral resources of widespread deposit			-			-	-	-	
Other			-			-	-	-	
3. Charges and service charges	-	-	-			-	55	(55)	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law			-			-	-	-	
Service charges paid to state and local administration in accordance with relevant law			-			-	-	-	
Custom service fee			-		55	-	55	(55)	

B46. "Ten khun" LLC

Taxes, fees, charges payed from companies to local government	Government	Company	Initial differences MNT 000	Adjustment		Adjusted		Unresolved differences MNT 000	Note
				Government	Company	Government	Company		
4. Dividends on state and local property	-	-	-			-	-	-	
Dividends on state property			-			-	-	-	
Dividends on local property		-	-			-	-	-	
5. Other payments to recipient government	-	-	-			-	-	-	
Entitlement under Production Sharing Contract with the government			-			-	-	-	
Other			-			-	-	-	
6. Donations to Governmental organisations	-	-	-			-	-	-	
Monetary donation from business entity to ministries and agencies			-			-	-	-	
Monetary donation from business entity to aimag			-			-	-	-	
Monetary donation from business entity to soums			-			-	-	-	
Monetary donation from business entity to local organisations			-			-	-	-	
Funds disbursed by company in sustainable development and community relations			-			-	-	-	
7. Costs disbursed for protection of the environment	-	-	-			-	-	-	
In kind contribution at rate of 50% to environmental special account			-			-	-	-	
Costs disbursed for protection of the environment			-			-	-	-	
Total	100,089	-	100,089	7,184	136,847	107,274	136,902	(29,629)	

Receipts reported by Government Entities which exceed the corresponding payments reported by companies	7,182
Payments reported by companies which exceed the corresponding receipts reported by Government Entities	(36,811)
Net differences	(29,629)

B46. "Ten khun" LLC

Brief introduction

Ten Khun LLC, China invested company, operates gold mining in Jargalant soum, Tuv aimag. The company is registered with the Capital Tax authority.

Discrepancies between Government Receipts and Company Payments

The discrepancies between government receipts and company payments reported initially on templates, and made adjustments during the reconciliation are shown below. The detailed explanations regarding discrepancies and their adjustments are mentioned as follows:

1. Economic Business Entity Income Tax /CIT/

Both of the parties' didn't report any CIT amount initially. But details received from MTA show CIT amounting to MNT 3,248 thousand that MTA received. However no detailed information was received from the company. Therefore the difference remained unresolved.

2. Customs tax

Both of the parties' didn't report any customs tax initially. But details received from the company show customs tax amounting to MNT 2,316 thousand that the company paid. However no detailed information was received from MTA. Therefore the difference remained unresolved.

3. Real estate tax

We have made adjustments in initial reporting according to detailed information received from the parties. However, difference of MNT 3,480 thousand remained still unresolved due to the company didn't reply for our confirmation letter.

4. Tax on automobiles and self moving vehicles

We have made adjustments in initial reporting according to detailed information received from the parties. However, difference of MNT 455 thousand remained still unresolved due to the company didn't reply for our confirmation letter.

5. Land rent fee

Both of the parties' didn't report any land rental fee initially. Per detailed information, company reported land rental fee of MNT 5,960 thousand, but MTA detailed information doesn't show any land rental fee. Therefore the difference still remained unresolved.

6. Fee for water use

The government reported fee for water use of 3,122 thousand initially which tied to detailed information. Company also confirmed that amount by detailed information. We have made adjustment accordingly.

7. Fee for recruiting foreign experts and workers

For the fee, LWSA reported amount of 92,520 thousand initially which is tied to detailed information. But company reported amount of MNT 121,000 thousand per its details. We made appropriate adjustment accordingly. However, the difference of MNT 28,480 thousand remained unresolved.

Disclosure:

High amount of initial difference was due to the company didn't submit 2008 report. We sent letter requesting detailed information to the company on March 26, 2010 received the details from April 28, 2010. But there are still several differences from government reporting. We sent confirmation letter about these differences on May 5, 2010, however, the company accountant didn't reply anymore.

Summary:

Totally, difference of MNT 29,629 thousand remained unresolved. It was due to the company understated CIT, Real estate tax and overstated customs tax, land fee and fee for recruiting foreign experts and workers.

Appendix C Source of information – Government Entities

Section	Government Entities
Taxes	
Corporate income tax	MTA
Customs tax	MCO
Windfall tax	MTA
Real estate tax	MTA
Excise tax on imported fuel and lubricants	MCO
Tax on petrol and diesel fuel	MCO
Tax on automobile and self moving vehicles	MTA
Other taxes in monetary value (1)	MTA
Other taxes in monetary value (2)	MTA
Fees	
Fee for exploitation of mineral resources ("royalty fee")	MTA
Licence fee for exploitation and exploration of mineral resources	MRAM
Reimbursement of deposit, exploration of which is carried by the budget fund	MRAM
Land rent	MTA
Fee for water use	MTA
Fee for forestry use and firewood	MTA
Fee for recruiting foreign experts and workers	LWSA
Fee for use of mineral resources of widespread deposit	MTA
Other	
Charge, service charges	
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	Local government
Service charges paid to state and local administration in accordance with relevant law	Local government
Custom service fee	MCO
Other	Local government
Dividends on state and local property	
Dividends on state property	MTA
Dividends on local property	MTA
Other payments to recipient governments	
Entitlement under Production Sharing Contract with the government	PAM
Other	PAM
Donations to Governmental organisations	
Monetary donation from business entity to ministries and agencies	Ministry, agency, Local government
Monetary donation from business entity to aimags	Local government
Monetary donation from business entity to soums	Local government
Funds disbursed by company in sustainable development and community relations	Local government
Other	Local government
Costs disbursed for protection of the environment	
In kind contribution at rate of 50% to environmental special account	MOET
Costs disbursed for protection of the environment	Own cost

Appendix D List of Companies

Below is showing list of companies covered under Mongolia Third EITI Reconciliation and Report 2008 together with their paid amounts:

No	Company Name	Company Registration No.	Minerals extracted	Amount paid **
				MNT 000
1	"Erdenet mining corporation" LLC	2074192	copper, molybdenum	549,631,055
2	"Boroo Gold" LLC	2094533	gold	29,694,255
3	"Tsairt mineral" LLC	2548747	zinc	19,530,787
4	"Tavan tolgoi" JSC	2016656	coal	18,551,321
5	"Bold tumur eruu gol" LLC	2855119	ore	6,808,550
6	"Mongolyn alt MAK" LLC	2095025	gold	5,509,256
7	"Mongolrustvetmet" LLC	2550466	spar	4,555,136
8	"Shijir alt" LLC	2072947	gold	4,509,755
9	"Chinkhua MAK nariin sukhait" LLC	2697947	coal	4,246,123
10	"Gatsuurt" LLC	2054701	gold	2,549,941
11	"Monpolimet" LLC	2029278	gold	2,283,547
12	"Engui tal" LLC	2834421	coal	1,985,734
13	"Ivanhoe mines mongolia" LLC	2657457	copper, molybdenum	1,611,296
14	"Ankhai international" LLC	2863847	ore	1,323,298
15	"Petro China dachin tamsag" LLC	2075385	oil	1,408,033
16	"Baganuur" JSC	2008572	coal	1,080,642
17	"Erdes holding" LLC	2655772	gold	1,018,860
18	"Shin shin" LLC	2830213	polymetal	998,037
19	"Mongol gazar" LLC	2027615	gold	908,730
20	"Jump" LLC	2081547	gold	818,707
21	"Urmun Uul" LLC	2617749	gold	784,156
22	"Shanlun" LLC	2784904	zinc, tin	750,419
23	"Gobi coal and energy" LLC	2862468	coal	615,598
24	"Shivee ovoo" LLC	2004879	coal	456,968
25	"Shariin gol" JSC	2050374	coal	444,189
26	"Khan shijir" LLC	2608758	gold	403,665
27	"Sonor trade" LLC	2590565	gold	366,893
28	"Mongol alt" JSC	2024101	gold	233,455
29	"Tun sin" LLC	2867699	ore	211,067
30	"Mongol tsamkhag" LLC	2848317	gold	203,032

Appendix D - cont.

No	Company Name	Company Registration No.	Minerals extracted	Amount paid **	
				MNT 000	
31	"AUM" LLC	5056721	gold	195,411	
32	"Khunanjinlen" LLC	2881934	gold	189,560	
33	"Adamas mining" LLC	2672146	gold, aluminium /exploration/	182,316	
34	"Zuriin bulan" LLC	2854384	gold	158,744	
35	"Dazan trade" LLC	2061848	gold, aluminium	156,853	
36	"Erel" LLC	2027194	gold	150,801	
37	"Tethys mining" LLC	2807459	gold /exploration/	138,584	
38	"Shijir talst" LLC	2770601	gold	136,493	
39	"Uuls zaamar" LLC	2819996	gold	131,197	
40	"Aduunchuluun" JSC	2011239	coal	131,350	
41	"Berleg mining" LLC	5007127	gold	124,788	
42	"Talbulag trade" LLC	2614065	gold	121,612	
43	"Eltrana" LLC	5058295	gold, aluminium	111,863	
44	"Uurt gold" LLC	2766868	gold	111,712	
45	"Cold gold mongol" LLC	2571498	gold	101,073	
46	"Ten khun" LLC	2839717	gold	100,089	
				665,734,951	

** As reported in the initial templates submitted by the Government Entities

Source: EITI Mongolia

Appendix E Letters of Representation from companies

During our audit, we have requested from the management of each company to provide us a letter of representative, text of which is included in Appendix. Replies were received as follow:

Company Name	Letter received	Company Name	Letter received
"Erdenet Mining Corporation" LLC	Yes	"Shivee ovoo" LLC	No
"Boroo Gold" LLC	Yes	"Shariin gol" JSC	No
"Tsairt mineral" LLC	Yes	"Khan shijir" LLC	Yes
"Tavan tolgoi" JSC	No	"Sonor trade" LLC	No
"Bold tumur eruu gol" LLC	No	"Mongol alt" JSC	No
"Mongolyn alt MAK" LLC	No	"Tun sin" LLC	No
"Mongolrustvetmet" LLC	Yes	"Mongol tsamkhag" LLC	No
"Shijir alt" LLC	Yes	"AUM" LLC	Yes
"Chinkhua MAK nariin sukhait" LLC	No	"Khunanjinlen" LLC	No
"Gatsuurt" JSC	Yes	"Adamas mining" LLC	No
"Monpolimet" LLC	Yes	"Zuriin bulan" LLC	No
"Engui tal" LLC	No	"Dazan trade" LLC	Yes
"Ivanhoe Mines Mongolia" Ltd	No	"Erel" LLC	No
"Ankhai international" LLC	No	"Tethys mining" LLC	No
"Petro China dachin tamsag" LLC	Yes	"Shijir talst" LLC	No
"Baganuur" JSC	No	"Uuls zaamar" LLC	No
"Erdes holding" LLC	No	"Aduunchuluun" JSC	Yes
"Shin shin" LLC	No	"Berleg mining" LLC	Yes
"Mongol gazar" LLC	No	"Talbulag trade" JSC	Yes
"Jump" LLC	Yes	"Eltrana" LLC	Yes
"Urmun Uul" LLC	No	"Uurt gold" LLC	No
"Shanlun" LLC	Yes	"Cold gold mongol" LLC	No
"Gobi coal and energy" LLC	No	"Ten khun" LLC	Yes

Out of 46 companies, 18 companies have replied and remaining 28 companies have not replied.

The text of the letter of representation which companies were requested to sign is as follows:

Ref:

[DATE]

To the Consortium of

Hart Nurse Ltd

The Old Coach House, Southern Road,
Thame, Oxfordshire OX9 2ED
England

Tele: ++44 1844 21 88 36

Email: coordinator@hart-group.com

Website: www.hart-group.com / www.hart-group-eiti.co.uk

Ulaanbaatar Audit LLC

“Margad Centre” Building,
5th Khoroo, Chingeltei District
Ulaanbaatar city, Mongolia
Tele: 976-11-321844, 329430, 70110744
Fax: 976-11-321844
E-mail: ubaudit_corp@mongol.net
Website: www.ulaanbaatar-audit.mn

Dear Ladies and Sirs,

MONGOLIA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE: Reconciliation report 2008

In connection with an audit being undertaken for the Mongolia EITI Reconciliation Report - 2008, we are declaring with full responsibilities that to the best of our knowledge and belief:

1. We have fully declared in the templates returned to the Mongolia EITI office/ Ministry of Finance all the financial amounts paid and/or received by us, which were required to be reported under these templates for the year of 2008 and there were no other direct or indirect flows which should have been reported.
2. The financial amounts in the template are consistent with the audited accounts of the company, based on international standards and a relevant audit report of our consolidated financial statements for 2008 verified by audit firmis attached.
3. No payment was made by the company to any official of the Government of Mongolia including aimags and soums, or of agencies thereof, aimed at securing benefits for the company
4. After making appropriate enquiry, no payment was made by any third party to any of the relevant agencies of the Government of Mongolia including aimags & soums or officials thereof on behalf of the company that would have been required to be disclosed to you had it been made by the company itself.

We confirm that the above representations are made on the basis of extensive enquiries of management and staff with the relevant knowledge and experience, including where appropriate the inspection of supporting documentation, sufficient to satisfy ourselves that we can properly make each of these representations to you.

Yours faithfully,

[NAME]

On behalf of the Board of Directors

Appendix F List of people we met

During the audit, we have met and discussed with the following people:

Names	Ministry, agency and other organisation	Position	Date
Purvee YA.	MTA	Chairmain of the Special Controlling Unit	2010.04.10
Oyunchimeg	MTA	Specialist of the Special Controlling Unit	2010.04.10
Ulziibat M.	MCO	Chairman of Department of Finance and Economics	2010.04.07 and 2010.04.22
Irina	MCO	General accountant	2010.04.07
Enkhbat D.	MOET	Chairman of Environmental Resource	2010.04.07
Erdenetsetseg	MOET	Specialist of Environmental Resource	2010.04.07
Altanchimeg D.	"Erel" LLC	Chairman of Finance and Economics Department, General accountant	2010.04.08
Myagmardash	Ministry of Finance	Chairman of the accounting department	2010.04.12
Gansukh	LWSA	Specialist	2010.04.12
Dondog L.	MAINS	President	2010.04.12
Dolgor B.	GOM	Senior consultant of Prime Minister	2010.04.13
Sumya E.	GOM	Senior Referent of GOM	2010.04.13
Tsogbaatar	"Erdenet mining corporation" LLC	Chairman of the representative office	2010.04.14
	"Mongol gazar" LLC	Executive director	2010.04.14
	"Mongol tsamkhag" LLC		2010.04.14
Tseveenjav D.	MCO	Chairman of the MCO	2010.04.22
Tungalag U.	MCO	State receipt accountant	2010.04.22

Appendix G Covered Entities

The Covered Entities for the MEITI 2008 reconciliation are the Companies listed in Appendix D and the Government Entities listed below:-

a. Government Entities	10.Altai soum Gobi-Altai aimag
1. Ministry of Finance of Mongolia	11.Delger soum Gobi-Altai aimag
2. Mongolian Tax Authority	12.Bugat soum Gobi-Altai aimag
3. Mongolian Customs Office	13.Jargalant soum Gobi-Altai aimag
4. Environment Department	14.Tugrug soum Gobi-Altai aimag
5. Finance and Economic Department	17.Khongor soum Darkhan-Uul aimag
6. Petroleum Authority of Mongolia	18.Shariin gol soum Darkhan-Uul aimag
7. Labour and Social Welfare Agency	19.Airag soum Dornogobi aimag
8. State Property Committee of Mongolia	20.Ikh-khet soum Dornogobi aimag
	21.Mandakh soum Dornogobi aimag
b. Districts	22.Saikhan-dulaan soum Dornogobi aimag
1. Capital	23.Urgun soum Dornogobi aimag
2. Baganuur district	24.Bayandun soum Dornod aimag
3. Bayanzurkh district	25.Dashbalbar soum Dornod aimag
4. Sukhbaatar district	26.Matad soum Dornod aimag
5. Songinokhairkhan district	27.Sergelen soum Dornod aimag
6. Khan Uul	28.Choibalsan soum Dornod aimag
	29.Bayanjargalan soum Dundgobi aimag
c. Aimag	30.Delgerkhangai soum Dundgobi aimag
1. Arkhangai	31.Nomrog soum Zakhai aimag
2. Bayan-Ulgii	32.Bat-Ulzii soum Uvurkhangai aimag
3. Bayankhongor	33.Uyanga soum Uvurkhangai aimag
4. Bulgan	34.Bayan-Ovoo soum Umnugobi aimag
5. Govi-Altai	35.Manlai soum Umnugobi aimag
6. Darkhan-Uul	36.Khanbogd soum Umnugobi aimag
7. Dornogovi	37.Tsogt-tsetsii soum Umnugobi aimag
8. Dornod	38.Gurvan tes soum Umnugobi aimag
9. Dundgovi	39.Noyon soum Umnugobi aimag
10. Zavkhan	40.Sevrei soum Umnugobi aimag
11. Orkhon	41.Asgat soum Sukhbaatar aimag
12. Uvurkhangai	42.Sukhbaatar soum Sukhbaatar aimag
13. Umnugovi	43.Khuder soum Selenge aimag
14. Sukhbaatar	44.Eruu soum Selenge aimag
15. Selenge	45.Shaamar soum Selenge aimag
16.Tuv	46.Dulaankhan soum Selenge aimag
17.Uvs	47.Bayangol soum Selenge aimag
18.Khentii	48.Tunkhel soum Selenge aimag
	49.Mandal soum Selenge aimag
d. Soum	50.Zaamar soum Tuv aimag
1. Bulgan soum Arkhangai aimag	51.Bayanjargalan soum Tuv aimag
2. Nogoon nuur soum Bayan-Ulgii aimag	52.Tarialan soum Uvs aimag
3.Shinejinst soum Bayanhongor aimag	53.Darkhan soum Khentii aimag
4.Bayan-Ovoo soum Bayanhongor aimag	54.Bayanjargalan soum Khentii aimag
5.Bumbugur soum Bayanhongor aimag	55.Bor-Undur soum Khentii aimag
6.Galuut soum Bayanhongor aimag	56.Berkh soum Khentii aimag
7.Zag soum Bayanhongor aimag	57.Murun soum Khentii aimag
8. Buregkhangai soum Bulgan aimag	
9. Biger soum Gobi-Altai aimag	

Appendix H Covered entities' contact information

A. Company management

#	Companies	Fax number	Company management			Mining and exploration area location
			Name of General Director	Name and mobile number	Office telephone & e-mail	
1	"Erdenet mining corporation" LLC	01352-23002	Ganzorig Ch.	Khadsuren Kh. 0135273512,	01352-73501	Orkhon aimag
2	"Boro Gold" LLC	316100	Paul Carli	Bat-Erdene	317798 /1006/	Selenge aimag
3	"Tsairt mineral" LLC	326900	Jan Shili	Batkhuu 99277742,	01512-22121, 325342	Sukhbaatar and Dornogovi aimags
4	"Tavan tolgoi" JSC	(0153 22) 2550	Tumenbayar	Surenkhishig 99009493	01532-26519	Umnugovi aimag
5	"Bold tumur eruu gol" LLC	330053	Delgersaikhan B.	Oyungerel 99081199		Selenge aimag
6	"Mongolyn alt MAK" LLC	458075	Nyamtaishair R.	Bilegsaikhan A. 99091017	455882, 455338, 455352 (finance)	Umnugovi aimag
7	"Mongolrustvetmet" LLC	458380	Erdenee O.	Khulan 99168029	450060, 458082, 458521, 458430	Khentii aimag
8	"Shijir alt" LLC	453521	Lkhavgasuren Ts.	Strokova A.M	454337, 450434 (finance)	Tuv aimag
9	"Chinkhua MAK nariin sukhai"	353128	Ju Sui Shan	Munkhbold 99081292	352256, 353128	Umnugovi aimag
10	"Gatsuurt" LLC	631711	Chinbat L.	Bayartugs 99091145	633357, 634123 (finance)	Uvurkhangai aimag
11	"Monpolimet" LLC	311633	Garamjav Ts.	Munkhzaya N.	313137, 312108 (finance)	Tuv and Bulgan aimags
12	"Engui tal" LLC	70113441	Enkhtaivan S.	Lkhagvasuren 91012199	70113441	Bayankhongor aimag
13	"Ivanhoe mines mongolia" LLC	331890	John Mackey	Badamkhand	331880,331780 (finance) 3682	Umnugovi aimag
14	"Ankhai international" LLC	461757	Li Jin Zuni	Pilmaa Kh.	461757	Tuv aimag
15	"Petro China dachin tamsag" LLC	463568	Mergensod Ts.	Bolormaa 99104448	463567	Dornod aimag
16	"Baganuur" JSC	21130	Dambapeljee D.	Batzorig 99025859,	0121-2010	Baganuur district
17	"Erdes holding" LLC	331102	Batkhisig R.	Nansalmaa L.	331107	Khuder soum of Selenge aimag
18	"Shin shin" LLC	70110158	Jargalsaikhan T.	Dolgormaa	99057097	Dashbalbar soum of Dornod aimag
19	"Mongol gazar" LLC	681226	Myanganbayar Ts.		681226	
20	"Jump" LLC	320157	Tserendavaa L.	Tsolmon P. 99009927	313185	Dornod aimag
21	"Urmun Uul" LLC	70130088	Oyunbileg Ts.	Munkhnasan 99177889	gerle-27@yahoo.com	Tuv and Bulgan aimags
22	"Shanlun" LLC	682663	Van Jin Khua	Otgongchimeg D. 99081490	682328	Choibalsan soum of Dornod aimag
23	"Gobi coal and energy" LLC	330829	Uranbileg D.		330828	Chandmani soum of Govi-Alтай aimag
24	"Shivee ovoo" LLC	310839	Baldandorj Kh.	96661806		Shivee ovoo soum of Govisumber aimag
25	"Shariin gol" JSC	By	Batmunkh Kh.	Davaasuren 99069307	Davaasuren L@yahoo.com	Shariin gol soum of Darkhan-Uul aimag
26	"Khan shijir" LLC	354490	Dovjid B.	Munkhzaya N.	99119650	Bumbugur soum of Bayankhongor aimag
27	"Sonor trade" LLC	311029	Enkhbold B.	Oyunchimeg B. 88085224	sonor@magicnet.mn	Bayangol soum of Selenge aimag

A. Company management

#	Companies	Fax number	Company management			Mining and exploration area location
			Name of General Director	Name and mobile number	Office telephone & e-mail	
28	"Mongol alt" JSC	323424	Munkhtur J.	Myagmaa J. 99081267	323424 myagmaa_j@yahoo.com	
29	"Tun sin" LLC	70110689	Lu Chin	Battsetseg D.	99005718, 99005286	Darkhan soum of Khentii aimag
30	"Mongol tsamkhag" LLC	681226	Myanganbayar Ts.	Baigalimaa	681226	
31	"AUM" LLC	70181143	Erdenedalai D.	Munkhbaatar S. 99019067	70181143	Uvurkhangai aimag
32	"Khunanjinlen" LLC	70117366	Sharavsambuu D.	Minjmaa 99199610	331370 (finance)	Selenge aimag
33	"Adamas mining" LLC	462415	Nomuundari Z.	Bolormaa 99080558	462130(finance)	Tuv, Dornod, Sukhbaatar and Khentii
34	"Zuriin bulan" LLC	70117366	Sukhgerel D.	Minjmaa 99199610	331370(finance)	Darkhan-Uul aimag
35	"Dazan trade" LLC	310897	Bayanbat D.	Munkhjargal 99092083	326025	Uvs aimag
36	"Erel" LLC	341739	Javkhlan E.	Altanchimeg 99118349		Tuv, Darkhan-Uul and Dornogovi aimags
37	"Tethys mining" LLC	330280	Fabio Massoty	Narmandakh 99004569	330281,330278	Khentii aimag
38	"Shijir talst" LLC	99094925	Amar Ts.	99092470	mn_02@ymail.com	Bayangol soum of Selenge aimag
39	"Uuls zaamar" LLC	01352-28850		Densmaa 99352247	01352-28850, 99352247	Orkhon aimag
40	"Aduunchuluun" JSC	50021392	Shatar B.	Enkhbaatar D. 99582892	50021392	Dornod aimag
41	"Berleg mining" LLC	325446	Gerrit Bazuin	Nyambayar M. 99085425	329857	Selenge aimag
42	"Talbulag trade" LLC	70111774	Munkhjargal J.	99118003	70111774	Bayan-Ovoo soum of Bayankhongor aimag
43	"Eltrana" LLC	325524	Alexandar B.	Munkhtuya B.	320230/310552	Buren soum of Tuv aimag
44	"Uurt gold" LLC	50014444	Bayasgalan D.	Tsagaagch 99092384		Sergelen soum of Tuv aimag
45	"Cold gold mongol" LLC	631311	Walter	Battulga 99010141	631311	Bumbugur soum of Bayankhongor aimag
46	"Ten khun" LLC	362073	Je le	Ulzijargal A.	305839	Jargalant soum of Tuv aimag

B. Ministries and agencies

#	Ministries and agencies	Position	Names	Telephone, fax and mobiles	
				Room number	Mobiles
1	MTA	Chairman	Oyunbaatar.Ts		
		Chairman of controlling department	Purvee.Ya	312327	99166696
		Specialist	Oyunchimeg	312327	99088740
2	MCO	Chairman Finance and Economic Committee	Ulziibat.M	350055	93099933, 96661269
		General accountant	Irina	350063	99187616
		Tax accountant	Enkhtuya	352775	
		Accountant	Orkhontuul	353541	99156611
3	MOET	Chairman of Natural Resource Department /NRD/	Enkhbat.D	264166	99135446
		NRD Specialist	Erdenetsetseg	266426	99824971
4	MRAM	Specialist of Cadastre Department	Ariunbold	263620	99077335
		Chairman of Geology department	Borchuluun.U	263752	
		Specialist of Mining, Research Department	Sansardarimaa	263705	
5	PAM	Chairman of Investment Controlling Department	Oyuna	631208	98089008
6	LWSA	Chairman of the LWSA	Gankhuyag	263395	
		Specialist	Gansukh	260363	

C. Tax authorities of local governments

#	Aimag	Position	Names	Telephone, fax and mobiles		
				Room number	Fax	Mobiles
1	Bayan-Ulgii aimag	Chairman of tax authority	Nurgaiw.K			99429150
2	Bayankhongor aimag	Chairman of tax authority	Munkhbat.J		01442-22924	99442055, 99447484, 93073088
3	Govi-Altai aimag	Chairman of tax authority	Munkhbold.B	01482-23322	01482-24549	99215885
4	Darkhan-Uul aimag	Chairman of tax authority	Davaasuren	01372-37388	01372-37388	99990083
5	Dornogovi aimag	Chairman of tax authority	Mart.G	01522-22289	01522-22289	99174008
6	Dornod aimag	Chairman of tax authority	Tsevelsuren	01582-23037	01582-23037	99589290
7	Dundgovi aimag	Chairman of tax authority	Tuyatsetseg	01592-24212	01592-23033	99085499
8	Zavkhan aimag	Chairman of tax authority	Batsaikhan		01462-21120	99469685
9	Uvurkhangai aimag	Chairman of tax authority	Altantsetseg	01322-22425	01322-23431	99329363
10	Orkhon aimag	Chairman of tax authority	Erdenebileg.J	01352-21803	01352-21803	99092951
11	Sukhbaatar aimag	Chairman of tax authority	Dorjpurev	01512-21484	01512-21030	99089588
12	Selenge aimag	Chairman of tax authority	Otgonbayar	01362-22363	01362-22363	99499273
13	Tuv aimag	Chairman of tax authority	Adayasuren	01272-23869	01272-22067	99769308, 98089094, 99309094
14	Khentii aimag	Chairman of tax authority	Battungalag	01562-22545	01562-22545	88017005
15	Umnugovi aimag	Chairman of tax authority	Ulambayar.N		01532-23265	99532066
16	Uvs aimag	Chairman of tax authority	Sharavkhuu		01452-23822	99452288
17	Songinokharikhan district	Inspector	Batsaikan, Doljinsuren	633231	633249	88009485
18	Khan-Uul district	Inspector	Ouynbileg, Chaminchuluun	70130047		93095319
19	Capital	Land department	Dashtsetseg			91111996

D. Local government organizations those received donations from the companies

Corresponding number	Companies	Mining area located local governments			
		Aimags	Soums	Names of the governors	Telephone and fax numbers
1	"Erdenet mining corporation" LLC	Orkhon aimag	Tuv aimag	Oyunbat.D	01352-22621
2	"Boroo Gold" LLC	Selenge aimag	Tuv aimag	Erdenebat.J	01362-22223
		Selenge aimag	Mandal	Tseepildorj.V	99097018
		Selenge aimag	Bayangol	Enkhabat.V	98115258
		Selenge aimag	Tunkhel	Radnaabazar	98091682
		Darkhan-Uul aimag	Hospital	Bayasgalan	01372-34303
		Darkhan-Uul aimag	Children Care Centre of Tuv aimag	Batbayar.G	01372-23275
		Selenge aimag	Tunkhel	Radnaabazar	98091682
3	"Tsairt mineral" LLC	Sukhbaatar aimag	Tuv aimag	Batsuuri.J	Sent c/o Damdindorj Chairman
		Sukhbaatar aimag	Sukhbaatar aimag	Erdene.Ts	Sent c/o Damdindorj Chairman
		Sukhbaatar aimag	Asgat	Damdindorj	Өөрт нь Өrcөн
		Sukhbaatar aimag	Hospital	Munkhzul	Sent c/o Damdindorj Chairman
		Sukhbaatar aimag	Tuv aimag		Sent c/o Damdindorj Chairman
		Sukhbaatar aimag	Elder's Committee		Sent c/o Damdindorj Chairman
		Dornogovi aimag	Tuv aimag	Gankhuyag.P	01522-22288, 01522-22533, 01522-22330
		Capital	State Philoramony		325553
		Dornogovi aimag	Urgun	Purewkuuu.S	025248-4052
4	"Tavan tolgoi" JSC	Umnugovi aimag		Badraa.B	01532-22111
		Umnugovi aimag	24 th Kindergarten	Tsermaa.N	01532-23840
		Umnugovi aimag	11 th Kindergarten	Nasanbayar.B	01532-22011
		Umnugovi aimag	3 rd Secondary School of Dalanzadgad	Narantsetseg.Kh	
		Umnugovi aimag	RMC	Myadagsuren.D	01532-23704
		Umnugovi aimag	Policy department	Otgontsetseg.Kh	01532-23321,01532-22516
		Umnugovi aimag	Children Care Centre of Tuv aimag	Narantsetseg.B	01532-22105
		Umnugovi aimag	Tsogtsetsii soum	Zorigtbaatar	01532-2211, 99042795
		Umnugovi aimag	Common service centre	Sarantuya.L	01532-23489
5	"Bold tumur eruu gol" LLC LLC	Selenge aimag	Sport Committee	Battulga	Visited on field trip
		Selenge aimag	Eruu	Sergelen.B	Visited on field trip
		Selenge aimag	Shaamar	Byambasuren.D	Visited on field trip
		Selenge aimag	Dulaankhaan		Visited on field trip
		Selenge aimag	Bugant	Oyuntsetseg	01362-108
		Capital	MRAM	Batkhuuag	
6	""Mongolyn alt MAK" LLC	Dornod aimagаймаг	Bayantumen	Sumaya.G	1582-23530, 99589540
		Dundgovi aimag аймаг	Delgerkhangai	Ulzijargal.Z	99073710
		Govi-Altai aimag аймаг	Tseel	Batbayar.Ts	мэйл хаягаар Өгсөн мэйл хаяг bnayantai@yahoo.com, 99763142
		Bayankhongor aimagаймаг	Zag	Batbayar.M	01442-26516

D. Local government organizations those received donations from the companies

Corresponding number	Companies	Mining area located local governments			
		Aimags	Soums	Names of the governors	Telephone and fax numbers
		Dundgovi aimag аймаг	Bayanjargalan	Tuya.G	96961696
		Dornogovi aimag аймаг	Dalanjargalan	Myagmardorj.G	025243-4180,99276317
		Dornogovi aimag аймаг	Mandakh	Otgonbayar.N	01522-26503
		Богд хан уулын дархан цаазат газар	Ullaanbaatar city		342137
		Dornogovi aimag	Customs Office of Airag soum	Байцаагч Narantuya	96675110,0252-41-4321
7	“Mongolrustvetmet” LLC	Khentii aimag		Erdenebaatar.Ch	01562-23891
		Orkhon aimag		Oyunbat.D	01352-22621
		Dornogovi aimag		Орлогч Chairman Bayarsaikhan.E	01522-22533, 01522-22330
		Capital	55th Secondary School of Bayanzurkh district	Ariunbold	480582
		Capital	22nd Khoroo of Bayanzurkh district	Davaajav.U	458254
		Capital	22nd Kindergardan of Bayanzurkh district	Algaa.S	452624
		Capital	Elder's Committee	Bold.M	322170
		Capital	Police department	Baatarjaw.S	70121002
		Capital	МУИС	Davaa.S	320668
		Tuv aimag	Bayanjargalan	Batmunkh	
8	“Shijir alt” LLC	Tuv aimag	Zaamar	Bolormaa.D	127583199
		Khentii aimag	Bor-Undur	Battulga.M	015651-21663
9	“Chinkhua MAK nariin sukhait” LLC	Bulgan aimag	Tuv aimagд	Oyunbat.M	01342-22250
		Булган	Buregkhangai	Baatar.M	98885212
10	“Gatsuurt” LLC	Umnugovi aimag	Governor office	Badraa.B	01532-22111
			Gurvantes soum, Border Army No.0166	Mendsaikhan.B	811410
			Gurvantes	Battokhtokh.O	015344-2222
			Noyon	Badamjunai	
			Sevrei	Chultem.B	812122
12	“Engui tal” LLC	Төр засгийн үйлчилгээ, аж ахуй эрхлэх газар	Chairman	Losol.B	324024
		MYXAYТанхим	Ullaanbaatar city	Demberel.S	324620
		Богд хан уулын дархан цаазат газар	Ullaanbaatar city		342137
12	“Engui tal” LLC	Sukhbaatar aimag	Ongon	Bor.S	-

D. Local government organizations those received donations from the companies

Corresponding number	Companies	Mining area located local governments			
		Aimags	Soums	Names of the governors	Telephone and fax numbers
13	“Ivanhoe mines mongolia” LLC	Bayankhongor aimag	Shinejinst	Byambatogoo.O	01442-26522
		Umnugovi aimag	Governor office		01532-22111
		Umnugovi aimag	Hospital	Bayarjargal.Ch	01532-23434
		Umnugovi aimag	Education department	Batbileg	01532-23283
		Umnugovi aimag	Khanbogd	Dendevsamba.B	015351-107
		Umnugovi aimag	Bayan-Ovoo	Batbold.Kh	tsogbadrakho@yahoo.com
14	“Ankhai international” LLC	Umnugovi aimag	Manlai	Suger.Kh	tanhilaa85@yahoo.com
		Tuv aimag	Bayanjargalan	Butmunkh.D	мейлээр
15	“Petro China dachin tamsag” LLC	Баян зүрх дүүрэг 2-р хороо	Ullaanbaatar city	Davaakhuu.S	267090
		Dornod aimag	Choibalsan	Ariunbold.Ts	01582-21608
		Dornod aimag	Matad	Narantsetseg.Ts	hatagin_hatagina@yahoo.com
		Dornod aimag	Tuv aimagд	Janlav.Ts	01582-21608
		Газрын тосны газар	Ullaanbaatar city	Amarsaikhan.D	267090
16	“Baganuur” JSC	Capital	Baganuur district	Sandag-Ochir.D	0121-21075
17	“Erdes holding” LLC	Selenge aimagаймаг	Khuder	Baatarjav.Ch	013542-121
		Selenge aimagаймаг	Police department	Batsaikhan	01362-102
18	“Shin shin” LLC	Dornod aimagаймаг	Serelen	Gurragchaa.N	
19	“Mongol gazar” LLC	Uvurkhangai aimag	Uyanga	Davgadorj.Z	01325-62201
18	“Urmun-Uul” LLC	Булган	Buregkhangai	Baatar	01342-22250
22	“Shanlun” LLC	Dornod aimagаймаг	Tuv aimag	Janlav.Ts	01582-21608
		Dornod aimagаймаг	Choibalsan	Ariunbold.Ts	01582-21019
23	“Gobi coal and energy” LLC	Bayankhongor aimag	School director	Lhagvaa.B	01442-22262
		Bayankhongor aimagаймаг 3ДТГ	Bayankhongor aimag	Amartuvshin.A	01442-23206
		Bayankhongor aimagаймаг	Developmetn Policy Department	Oyunchimeg.Ch	014442-23206, 99449460
		Govi-Altai aimag аймаг	Govi-Altai aimag	Byambajav.N	01482-23360
		Govi-Altai aimag	Jargalant	Gotov.V	01482-23360
		Govi-Altai aimag	Chandmani	Radnaased.B	01482-23360
		Govi-Altai aimag	Khaliun	Ochir.Ts	01482-23360
		Govi-Altai aimag	Tugrug	Ganbuyan.J	01482-23360
		Govi-Altai aimag	Biger	Narangerel.B	01482-23360
		Bayankhongor aimag	Shinejinst	Byambatogoo.O	01442-26522
		Dundgovi aimag	Delgerkhangai	Ulzijargal.Z	99073710

D. Local government organizations those received donations from the companies

Corresponding number	Companies	Mining area located local governments			
		Aimags	Soums	Names of the governors	Telephone and fax numbers
		Bayankhongor aimagаймаг	NRD		01442-23206
25	"Шарын гол" ХК	Darkhan-Uul aimag аймаг	Shariin gol	Jargal.B	013743-2521
		Darkhan-Uul aimag аймаг	Sport Committee	Altantuya	99379792
30	"Mongol Tsamkhag" LLC	Capital	MRAM	Bilegsaikhan.J	681226
31	"AUM" LLC	Uvurkhangai aimag	Uyanga	Zagarzusem.P	013256-2201
32	"Khunanjinlin" LLC	Selenge aimag	Eruu	Sergelen.B	01362-26504
34	"Zuriin bulan" LLC	Darkhan-Uul aimag	Khongor	Chultembaat	факс байхгүй мэйл хаяг atara_daa@yahoo.com
35	"Dazan trade " LLC	Uvs aimag	Tarialan	Sukh-Ochir.B	99042922
36	"Erel" LLC	Darkhan-Uul aimag	Tuv aimag	Erdenebat.G	01372-27121
39	"Uuls Zaamar" LLC	Orkhon aimag	Tax authority	Erdenebileg.J	01352-21803
		Orkhon aimag	MRAM	Batkhuuyag	
40	"Aduunchuluun" JSC	Dornod aimag	Tuv aimag	Janlav.Ts	01562-21608
		Dornod aimag	Kherlen	Enkhtsetseg	01562-21556
41	"Berleg mining" LLC	Selenge aimag	Tuv aimag	Otgonbayar	01362-22363
45	"Cold gold mongolia" LLC	Bumbugur soum of Bayankhongor aimag		Bolormaa.A	01442-23724

Appendix I Schedule of initial differences

Items	B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	B-9
	"Erdenet mining corporation" LLC	"Boro Gold" LLC	"Tsairt mineral" LLC	"Tavan tolgoi" JSC	"Bold tumur eroo gol" LLC	"Mongolyn alt MAK" LLC	"Mongolrustv etmet" LLC	"Shijir alt" LLC	"Chinkhua MAK nariin sukhait" LLC
Taxes									
Corporate income tax	17,517,764	(332,724)	2,190,261	(572,799)	(20)	-	19,392	43,000	507,179
Customs tax	(17,052,481)	15,784	(22,371)	50,105	(1,227,985)	(66,218)	126,989	(117,777)	(228,829)
Windfall tax	(9,242,839)	(24,477)	-	-	-	-	(54,678)	-	-
Real estate tax	-	(197,428)	-	(780)	-	(6,698)	(33,481)	(11,609)	(843)
Excise tax on imported fuel and lubricants	575,949	-	-	-	-	-	110,145	-	0
Tax on petrol and diesel fuel	47,088	-	-	-	-	-	6,603	-	0
Tax on automobile and self moving vehicles	(320)	(2,583)	(170)	100	133	(487)	(7,437)	130	-
Other taxes in monetary value (1)	(1,208,622)	-	(4,190,260)	-	-	-	(34)	-	(507,179)
Other taxes in monetary value (2)	(138)	-	-	-	-	-	-	-	-
Fees									
Fee for exploitation of mineral resources ("royalty fee")	12,022,370	(3,378,845)	(360,660)	4,842,800	1,363,121	(177,325)	(1,999,417)	(158,754)	70,364
Licence fee for exploitation and exploration of mineral resources	-	(141,883)	(660,424)	(2,900)	(24,252)	(157,283)	(157,512)	(12,391)	-
Licence fee for exploitation and exploration of mineral resources /in USD/	341	121	1	-	21	122	167	11	-
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	-	-	(476)	-	-	-
Land rent	(8,780,537)	(50,383)	-	6	380	(34,467)	(21,523)	-	-
Fee for water use	-	(29,913)	(8,375)	(2)	-	(2)	(52,094)	(14,577)	-
Fee for forestry use and firewood	-	-	-	-	-	-	-	-	-
Fee for recruiting foreign experts and workers	-	(124)	(2,117)	-	(83,973)	19,611	13,322	48,617	(24,509)
Fee for use of mineral resources of widespread deposit	-	(1,030,269)	-	-	-	540	-	-	-
Other	-	(16,848)	-	-	-	-	-	-	-
Charges and service charges									
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	(7,430)	-	-	-	-	-	156	(24,340)

Appendix I Schedule of initial differences

Items	B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	B-9
	"Erdenet mining corporation" LLC	"Boroo Gold" LLC	"Tsairt mineral" LLC	"Tavan tolgoi" JSC	"Bold tumur eroo gol" LLC	"Mongolyn alt MAK" LLC	"Mongolrustv etmet" LLC	"Shijir alt" LLC	"Chinkhua MAK nariin sukhait" LLC
Service charges paid to state and local administration in accordance with relevant law	-	(14,183)	-	(5,716)	-	-	-	-	(208,175)
Custom service fee	82,681	(69,089)	7,764	240	88,568	18,882	17,132	(205,215)	42,825
Other	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	-	-	-	-	(71,176)	262,134
Dividends on local property	-	-	-	6,021,492	-	-	-	-	-
Other payments to recipient government	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	(57,768)	(34,095)	(142,720)	-	(4,300)	(3,000)	(3,786)	(3,000)	(3,000)
Monetary donation from business entity to aimag	(5,767,007)	(29,576)	(128,887)	(72,713)	(1,000)	-	-	-	(6,500)
Monetary donation from business entity to soums	-	(19,319)	(7,200)	451,082	(177,596)	11,900	(25,728)	(5,000)	(32,555)
Monetary donation from business entity to local organisations	(279,377)	(236,700)	-	-	-	(24,311)	(7,456)	-	-
Funds disbursed by company in sustainable development and community relations	(133,270)	(1,009,190)	(266,466)	-	-	-	(2,100)	(2,000)	(500,000)
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	(65,000)	(45,442)	(5,000)	6,300	-	(3,514)	46,263	-	(12,000)
Costs disbursed for protection of the environment	(130,000)	(1,109,033)	1,450,815	-	(110,280)	(75,760)	(855,062)	(31,645)	(77,400)
Total	(12,471,165)	(7,763,628)	(2,145,811)	10,717,214	(177,184)	(498,486)	(2,880,297)	(541,228)	(742,827)

Appendix I Schedule of initial differences

Items	B-10	B-11	B-12	B-13	B-14	B-15	B-16	B-17	B-18
	"Gatsuurt" JSC	"Monopolimet" LLC	"Engui tal" LLC	"Ivanhoe mines mongolia inc" JSC	"Ankhai international" LLC	"Petro china dachin tamsag" LLC	"Baganuur" JSC	"Erdes holding" LLC	"Shin shin" LLC
Taxes									
Corporate income tax	(2,407)	-	-	19,063	(1,760)	-	-	-	4,500
Customs tax	(12,175)	61,039	-	(239,548)	(423)	73,340	124,669	(23,906)	(1,864,172)
Windfall tax	(1,780,177)	1,208,762	-	-	-	-	-	-	-
Real estate tax	2,349	606	-	0	-	-	-	-	-
Excise tax on imported fuel and lubricants	405	10,359	-	-	-	92,601	-	-	-
Tax on petrol and diesel fuel	-	-	-	-	-	(122,612)	-	(5,248)	-
Tax on automobile and self moving vehicles	(11,871)	-	-	(871)	(29)	-	-	(4,445)	(1)
Other taxes in monetary value (1)	-	-	-	(793,579)	-	(30,087)	-	-	-
Other taxes in monetary value (2)	-	-	-	-	-	-	-	-	-
Fees									
Fee for exploitation of mineral resources ("royalty fee")	(118,938)	534,817	-	-	(10,696)	-	(174,032)	(95,401)	-
Licence fee for exploitation and exploration of mineral resources	(243,611)	-	-	(2,416,823)	(5,305)	-	(27,683)	(24,706)	(28,440)
Licence fee for exploitation and exploration of mineral resources /in USD/	195	23	15	2,177	9	-	1	7	23
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	1,985,719	-	-	-	-	-	(59)
Land rent	(7,116)	-	-	600	(4,832)	(318,320)	(253,605)	(6,306)	(171)
Fee for water use	(28,950)	-	-	1,662	-	(5,691)	-	(1,740)	(1,440)
Fee for forestry use and firewood	-	-	-	-	-	-	-	(43,243)	-
Fee for recruiting foreign experts and workers	236,195	22,960	-	(24,186)	(40,731)	100,440	4,536	-	(197,993)
Fee for use of mineral resources of widespread deposit	-	-	-	-	-	-	-	(3,380)	2,000
Other	-	-	-	-	-	-	-	-	-
Charges and service charges									
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	-	-	(10,059)	-	-	-	-	-

Appendix I Schedule of initial differences

Items	B-10	B-11	B-12	B-13	B-14	B-15	B-16	B-17	B-18
	"Gatsuurt" JSC	"Monopolimet" LLC	"Engui tal" LLC	"Ivanhoe mines mongolia inc" JSC	"Ankhai international" LLC	"Petro china dachin tamsag" LLC	"Baganuur" JSC	"Erdes holding" LLC	"Shin shin" LLC
Service charges paid to state and local administration in accordance with relevant law	-	-	-	(103,186)	-	-	-	(1,076)	-
Custom service fee	5,266	182	-	10,136	13,249	(40,501)	756	113	18,955
Other	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	-	-	-	-	-	-
Dividends on local property	-	-	-	-	-	-	-	-	-
Other payments to recipient government	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	(26,390,273)	-	-	-
Other	-	-	-	-	-	(279,675)	-	-	-
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	(42,000)	-	-	-	-	(6,215)	-	(2,550)	-
Monetary donation from business entity to aimag	-	-	-	(42)	-	(32,166)	-	(1,000)	9,425
Monetary donation from business entity to soums	-	-	-	22	-	(2,167)	-	(20,760)	(10,670)
Monetary donation from business entity to local organisations	-	-	-	(70,277)	-	(6,215)	-	-	-
Funds disbursed by company in sustainable development and community relations	-	-	-	(3,985)	(24,040)	(27,904)	-	-	-
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	(11,584)	-	-	(6,479)	-	(10)	-	19,670	5,170
Costs disbursed for protection of the environment	981,700	444,800	-	(15,075)	-	(162,180)	-	340,800	(17,800)
Total	(1,032,717)	2,283,547	1,985,734	(3,650,450)	(74,557)	(27,157,635)	(325,358)	126,828	(2,080,673)

Appendix I Schedule of initial differences

Items	B-19	B-20	B-21	B-22	B-23	B-24	B-25	B-26	B-27
	"Mongol gazar" LLC	"Jump" LLC	"Urmun Uul" LLC	"Shanlun" LLC	"Gobi coal and energy" LLC	"Shivee ovoor" LLC	"Shariin gol" JSC	"Khan shijir" LLC	"Sonor trade" LLC
Taxes									
Corporate income tax	-	1,172	57,291	-	72,289	(22,296)	(7)	-	(6,003)
Customs tax	53,840	14,500	-	-	-	29,671	5,707	-	5,420
Windfall tax	(170,588)	-	624,231	-	-	-	-	-	0
Real estate tax	-	(2,163)	-	(1,000)	-	-	(3,600)	-	(812)
Excise tax on imported fuel and lubricants	-	9,649	-	-	-	-	-	-	-
Tax on petrol and diesel fuel	-	367	-	-	-	-	-	-	-
Tax on automobile and self moving vehicles	6,734	-	618	-	(92)	-	(1,440)	(88)	56
Other taxes in monetary value (1)	-	-	-	-	-	-	-	-	-
Other taxes in monetary value (2)	-	-	-	-	(72,289)	-	-	-	-
Fees									
Fee for exploitation of mineral resources ("royalty fee")	(19,633)	-	91,823	-	(1,125)	(26,498)	22,998	(16,188)	(14,685)
Licence fee for exploitation and exploration of mineral resources	(73,725)	6,786	7,449	(23,331)	(61,037)	0	9,424	(6,556)	(11,862)
Licence fee for exploitation and exploration of mineral resources /in USD/	49	10	-	20	1,226	-	2	6	10
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	(296)	180,406	-	-	-	-
Land rent	-	(4,118)	2,744	-	(4,326)	-	(43,089)	(1,428)	(1,773)
Fee for water use	(7,582)	(33,678)	-	-	(7,697)	(144)	(1,991)	(1,722)	(640)
Fee for forestry use and firewood	-	(268)	-	-	-	-	-	-	-
Fee for recruiting foreign experts and workers	-	1,320	-	23,660	(262)	-	-	-	-
Fee for use of mineral resources of widespread deposit	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	(18)	-	-	-
Charges and service charges									
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	(1)	-	-	(1,567)	-	-	-	-	-

Appendix I Schedule of initial differences

Items	B-19	B-20	B-21	B-22	B-23	B-24	B-25	B-26	B-27
	"Mongol gazar" LLC	"Jump" LLC	"Urmun Uul" LLC	"Shanlun" LLC	"Gobi coal and energy" LLC	"Shivee ovoor" LLC	"Shariin gol" JSC	"Khan shijir" LLC	"Sonor trade" LLC
Service charges paid to state and local administration in accordance with relevant law	-	(16,590)	-	(825)	-	-	-	-	-
Custom service fee	430	67	-	463	-	230	766	-	34
Other	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	-	-	-	-	-	-
Dividends on local property	-	-	-	-	-	-	-	-	-
Other payments to recipient government	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	-	-	-	(3,000)	-	-	-	-	-
Monetary donation from business entity to aimag	-	-	-	12,000	-	-	-	(13,000)	-
Monetary donation from business entity to soums	(164,000)	-	-	(2,500)	-	-	(40,559)	(2,341)	-
Monetary donation from business entity to local organisations	-	-	-	-	-	-	-	-	-
Funds disbursed by company in sustainable development and community relations	(90,000)	(11,190)	-	(6,000)	(189,788)	-	-	-	-
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	(7)	(2,500)	-	(350)	-	(2,500)	2,600	-	-
Costs disbursed for protection of the environment	88,371	299,000	-	(250)	(4,610)	(15,500)	(20)	44,927	-
Total	(376,113)	262,365	784,156	(2,976)	(87,306)	(37,055)	(49,209)	3,609	(30,255)

Appendix I Schedule of initial differences

Items	B-28	B-29	B-30	B-31	B-32	B-33	B-34	B-35	B-36
	"Mongol alt" JSC	"Tun sin" LLC	"Mongol tsamkhag" LLC	"AUM" LLC	"Khunanjinlen" LLC	"Adamas mining" LLC	"Zuriin bulan" LLC	"Dazan trade" LLC	"Erel" LLC
Taxes									
Corporate income tax	-	-	10	-	250	167,827	1,200	-	-
Customs tax	76	55,595	-	(89,383)	9,205	12,360	-	-	102,128
Windfall tax	12,518	-	-	(101,826)	20	-	12,340	-	-
Real estate tax	11,910	(2,180)	-	-	-	-	-	304	4,175
Excise tax on imported fuel and lubricants	-	-	-	-	-	-	-	-	2,321
Tax on petrol and diesel fuel	-	-	-	-	-	-	-	-	-
Tax on automobile and self moving vehicles	1,563	-	-	(30)	267	288	(15)	437	5,471
Other taxes in monetary value (1)	-	-	-	-	-	-	-	(10)	-
Other taxes in monetary value (2)	-	-	-	-	-	-	-	-	-
Fees									
Fee for exploitation of mineral resources ("royalty fee")	190,463	(472,195)	-	(11,017)	4,238	(13,632)	(3,396)	0	-
Licence fee for exploitation and exploration of mineral resources	2,982	(5,855)	(44,721)	(20,255)	(829)	(2,491)	(7,332)	(18,920)	4,009
Licence fee for exploitation and exploration of mineral resources /in USD/	10	-	44	18	4	314	4	16	1
Reimbursement of deposit, exploration of which is carried by the budget fund	6,469	-	171,591	-	-	-	-	-	29,765
Land rent	3,423	(1,131)	-	(1,287)	4	(2,304)	(16,323)	(6,779)	-
Fee for water use	-	(730)	-	-	(9,000)	(4,071)	(17,267)	(3,264)	-
Fee for forestry use and firewood	-	-	-	(100)	570	-	1,066	-	-
Fee for recruiting foreign experts and workers	-	(36,298)	-	2,580	(22,518)	-	(173,863)	-	-
Fee for use of mineral resources of widespread deposit	-	-	-	-	-	-	-	-	-
Other	-	(37,467)	-	-	-	-	-	-	-
Charges and service charges	-	-	-	-	-	-	-	-	-

Appendix I Schedule of initial differences

Items	B-28	B-29	B-30	B-31	B-32	B-33	B-34	B-35	B-36
	"Mongol alt" JSC	"Tun sin" LLC	"Mongol tsamkhag" LLC	"AUM" LLC	"Khunanjinlen" LLC	"Adamas mining" LLC	"Zuriin bulan" LLC	"Dazan trade" LLC	"Erel" LLC
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	(42,276)	-	(1,236)	-	-	-	-	-
Service charges paid to state and local administration in accordance with relevant law	-	(1,718)	-	(104)	(3,915)	-	(6,789)	-	-
Custom service fee	8	(21,645)	-	(12)	114	28	-	-	2,930
Other	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-
Dividends on state property	4,033	-	-	-	-	-	-	-	-
Dividends on local property	-	-	-	-	-	-	-	-	-
Other payments to recipient government	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	-	-	-	-	-	-	-	(100)	-
Monetary donation from business entity to aimag	-	(3)	-	-	-	-	-	(500)	-
Monetary donation from business entity to soums	-	-	-	-	(4,750)	-	(1,250)	(600)	-
Monetary donation from business entity to local organisations	-	-	-	-	-	-	-	(2,000)	-
Funds disbursed by company in sustainable development and community relations	-	-	-	(18,400)	-	-	-	-	-
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	-	-	-	(17,661)	-	-	(1,000)	(100)	-
Costs disbursed for protection of the environment	-	(12,000)	-	(9,810)	-	(73,600)	-	7,480	-
Total	233,455	(577,903)	126,924	(268,522)	(26,340)	84,718	(212,625)	(24,037)	150,801

Appendix I Schedule of initial differences

Items	B-37	B-38	B-39	B-40	B-41	B-42	B-43	B-44	B-45	B-46	TOTAL
	"Tethys mining" LLC	"Shijir talst" LLC	"Uuls zaamar" LLC	"Aduunchul uun" JSC	"Berleg mining" LLC	"Talbulag trade" JSC	"Eltrana" LLC	"Uurt gold" LLC	"Cold gold mongol" LLC	"Ten khun" LLC	
Taxes											
Corporate income tax	(12,130)	0	12,434	(7,996)	-	867	-	(11,558)	-	-	19,644,800
Customs tax	1,994	-	-	14,993	111,843	-	-	-	-	-	(20,076,011)
Windfall tax	-	-	(22,890)	-	5,515	-	-	73,579	0	-	(9,460,508)
Real estate tax	33,934	-	-	-	-	-	-	-	-	3,831	(203,487)
Excise tax on imported fuel and lubricants	-	-	-	-	5,780	-	-	-	-	-	807,210
Tax on petrol and diesel fuel	-	-	-	-	-	-	-	-	-	-	(73,801)
Tax on automobile and self moving vehicles	642	(849)	159	-	493	-	-	(304)	-	611	(13,330)
Other taxes in monetary value (1)	-	-	-	-	-	-	-	-	-	-	(6,729,772)
Other taxes in monetary value (2)	-	-	(245)	-	-	-	-	-	-	-	(72,672)
Fees	-	-	-	-	-	-	-	-	-	-	-
Fee for exploitation of mineral resources ("royalty fee")	8,700	(1,242)	(3,316)	-	758	(4,575)	-	(11,673)	(15,757)	-	12,063,450
Licence fee for exploitation and exploration of mineral resources	(862,938)	-	90	-	-	0	(10,207)	(12,802)	(4,566)	-	(5,039,899)
Licence fee for exploitation and exploration of mineral resources /in USD/	761	-	-	-	7	-	40	5	4	6	5,792
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	-	-	(99)	-	-	-	-	2,373,021
Land rent	2,173	-	(4,736)	-	(4)	(450)	(6,288)	(8,000)	-	-	(9,569,969)
Fee for water use	(5,701)	(1,098)	-	-	(1)	(6,642)	-	-	-	3,122	(239,229)
Fee for forestry use and firewood	-	-	-	-	-	-	-	-	-	-	(41,975)
Fee for recruiting foreign experts and workers	4,104	-	-	-	-	-	594	(844)	-	92,520	(36,960)
Fee for use of mineral resources of widespread deposit	-	-	-	-	-	-	-	-	-	-	(1,031,109)
Other	-	-	-	-	-	-	-	-	-	-	(54,333)
Charges and service charges	-	-	-	-	-	-	-	-	-	-	-
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	-	-	(7,120)	-	-	-	(212)	-	-	(94,084)

Appendix I Schedule of initial differences

Items	B-37	B-38	B-39	B-40	B-41	B-42	B-43	B-44	B-45	B-46	TOTAL
	"Tethys mining" LLC	"Shijir talst" LLC	"Uuls zaamar" LLC	"Aduunchuluun" JSC	"Berleg mining" LLC	"Talbulag trade" JSC	"Eltrana" LLC	"Uurt gold" LLC	"Cold gold mongol" LLC	"Ten khun" LLC	
Service charges paid to state and local administration in accordance with relevant law	-	-	-	-	-	(600)	(2,670)	-	-	-	(365,547)
Custom service fee	(50)	-	-	194	390	-	-	-	-	-	(24,107)
Other	-	-	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	-	-	-	-	-	-	-	194,991
Dividends on local property	-	-	-	-	-	-	-	-	-	-	6,021,492
Other payments to recipient government	-	-	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-	-	(26,390,273)
Other	-	-	-	-	-	-	-	-	-	-	(279,675)
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	-	-	-	-	-	-	-	-	-	-	(305,533)
Monetary donation from business entity to aimag	-	-	-	-	-	-	-	(1,000)	(10,000)	-	(6,041,969)
Monetary donation from business entity to soums	-	-	-	-	-	-	-	(1,500)	-	-	(55,492)
Monetary donation from business entity to local organisations	-	-	-	-	-	-	-	-	-	-	(626,337)
Funds disbursed by company in sustainable development and community relations	-	-	(1,000)	-	-	-	(1,650)	-	-	-	(2,286,982)
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	(15,070)	-	-	(16)	(3)	-	(73)	(800)	4,600	-	(104,505)
Costs disbursed for protection of the environment	-	38	-	-	(3)	30	-	-	-	-	957,933
Total	(843,582)	(3,151)	(19,503)	54	124,776	(11,470)	(20,253)	24,893	(25,719)	100,089	(47,148,870)

Appendix J Schedule of net adjustments resulting from the reconciliation

Items	B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	B-9	B-10	B-11	B-12
	"Erdenet mining corporation" LLC	"Boro Gold" LLC	"Tsairt mineral" LLC	"Tavan tolgoi" JSC	"Bold tumur eroog gol" LLC	"Mongol yn alt MAK" LLC	"Mongolrus stvetmet" LLC	"Shijir alt" LLC	"Chinkhua MAK nariin sukhait" LLC	"Gatsuurt" JSC	"Monpolimet" LLC	"Engui tal" LLC
Taxes												
Corporate income tax	(17,516,884)	332,724	(2,190,261)	572,799	20	-	(19,392)	(43,000)	(507,179)	2,407	-	-
Customs tax	17,052,481	(15,784)	22,371	-	1,227,985	66,218	(126,989)	117,777	228,829	12,175	(61,039)	-
Windfall tax	9,242,839	24,477	-	-	-	-	54,678	-	-	1,780,177	(1,208,762)	-
Real estate tax	-	197,428	-	780	-	6,698	33,481	11,609	843	(2,349)	(606)	-
Excise tax on imported fuel and lubricants	(575,949)	-	-	-	-	-	(110,145)	-	-	(405)	(10,359)	-
Tax on petrol and diesel fuel	(47,088)	-	-	-	-	-	(6,603)	-	-	-	-	-
Tax on automobile and self moving vehicles	-	10,041	-	(100)	50	767	7,437	(130)	-	11,871	-	-
Other taxes in monetary value (1)	1,208,622	-	4,190,260	-	-	-	34	-	507,179	-	-	-
Other taxes in monetary value (2)	138	-	-	-	-	-	-	-	-	-	-	-
Fees	-	-	-	-	-	-	-	-	-	-	-	-
Fee for exploitation of mineral resources ("royalty fee")	(12,022,370)	3,378,845	360,660	(4,842,800)	(1,363,121)	177,325	1,999,417	158,754	(70,364)	118,938	(534,817)	-
Licence fee for exploitation and exploration of mineral resources	-	141,883	660,424	2,900	24,252	157,283	157,512	12,391	-	243,611	-	-
Licence fee for exploitation and exploration of mineral resources /in USD/	(341)	(121)	(1)	-	(21)	(122)	(167)	(11)	-	(195)	(23)	(15)
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	-	-	476	-	-	-	-	-	(1,985,719)
Land rent	8,780,537	50,383	-	-	-	34,467	21,523	-	-	7,116	-	-
Fee for water use	-	29,913	-	-	-	2	52,094	14,577	-	28,950	-	-
Fee for forestry use and firewood	-	-	-	-	-	-	-	-	-	-	-	-
Fee for recruiting foreign experts and workers	-	-	-	-	83,973	(19,611)	(13,322)	(48,617)	24,509	(236,195)	(22,960)	-
Fee for use of mineral resources of widespread deposit	-	1,030,269	-	-	-	(540)	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Charges and service charges	-	-	-	-	-	-	-	-	-	-	-	-
Stamp and other charges for registration paid to state and local administration in accordance with relevant	-	-	-	-	-	-	-	(156)	(2,670)	-	-	-

Appendix J Schedule of net adjustments resulting from the reconciliation

Items	B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	B-9	B-10	B-11	B-12
	"Erdenet mining corporation" LLC	"Boro Gold" LLC	"Tsairt mineral" LLC	"Tavan tolgoi" JSC	"Bold tumur eroog gol" LLC	"Mongol yn alt MAK" LLC	"Mongolrus stvetmet" LLC	"Shijir alt" LLC	"Chinkhua MAK nariin sukhait" LLC	"Gatsuurt" JSC	"Monpolimet" LLC	"Engui tal" LLC
law												
Service charges paid to state and local administration in accordance with relevant law	-	-	-	-	-	(43,213)	-	-	114,823	-	-	-
Custom service fee	(82,681)	69,089	(7,764)	-	(87,301)	(18,882)	(17,132)	205,215	(42,825)	(5,266)	(182)	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	-	-	-	-	71,176	(262,134)	-	-	-
Dividends on local property	-	-	-	(6,021,492)	-	-	-	-	-	-	-	-
Other payments to recipient government	-	-	-	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	57,768	34,095	141,000	-	3,000	3,000	-	3,000	3,000	42,000	-	-
Monetary donation from business entity to aimag	5,767,007	29,576	128,887	72,213	1,000	-	-	-	6,500	-	-	-
Monetary donation from business entity to soums	-	19,319	7,200	(451,082)	177,596	(11,900)	-	5,000	32,555	-	-	-
Monetary donation from business entity to local organisations	279,377	236,700	(2,700)	-	-	24,311	680	-	-	-	-	-
Funds disbursed by company in sustainable development and community relations	133,270	1,009,190	266,466	-	-	-	-	2,000	500,000	-	-	-
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	64,000	45,442	5,050	(6,300)	-	3,514	(46,263)	-	12,000	11,584	-	-
Costs disbursed for protection of the environment	-	-	-	-	-	75,760	-	31,645	77,400	(981,700)	(444,800)	-
Total	12,340,725	6,623,467	3,581,593	(10,673,081)	67,434	455,553	1,986,845	541,228	622,467	1,032,717	(2,283,547)	(1,985,734)

Appendix J Schedule of net adjustments resulting from the reconciliation

Items	B-13	B-14	B-15	B-16	B-17	B-18	B-19	B-20	B-21	B-22	B-23	B-24
	"Ivanhoe mines mongolia inc" JSC	"Ankhai international" LLC	"Petro china dachin tamsag" LLC	"Baganuur" JSC	"Erdes holding" LLC	"Shin shin" LLC	"Mongol gazar" LLC	"Jump" LLC	"Urmun Uul" LLC	"Shanlun" LLC	"Gobi coal and energy" LLC	"Shivee ovoo" LLC
Taxes												
Corporate income tax	(19,063)	1,760	-	-	-	(4,500)	-	(1,172)	(57,291)	-	(72,289)	22,296
Customs tax	239,548	423	(73,340)	(133,105)	23,906	1,864,172	(33,366)	(14,500)	-	0	-	(29,671)
Windfall tax	-	-	-	-	-	-	170,588	-	(624,231)	-	-	-
Real estate tax	-	-	-	-	-	-	-	2,163	-	1,000	-	-
Excise tax on imported fuel and lubricants	-	-	(92,601)	-	-	-	-	(9,649)	-	-	-	-
Tax on petrol and diesel fuel	-	-	122,612	-	5,248	-	-	(367)	-	-	-	-
Tax on automobile and self moving vehicles	871	29	-	-	4,445	1	(8,179)	-	(618)	-	-	-
Other taxes in monetary value (1)	793,579	-	30,087	-	-	-	-	-	-	-	-	-
Other taxes in monetary value (2)	-	-	-	-	-	-	-	-	-	-	72,289	-
Fees	-	-	-	-	-	-	-	-	-	-	-	-
Fee for exploitation of mineral resources ("royalty fee")	-	10,696	-	174,034	95,401	-	-	-	(91,822)	-	-	29,054
Licence fee for exploitation and exploration of mineral resources	2,416,823	5,305	-	27,683	24,706	28,440	76,345	(6,795)	(7,449)	23,331	61,037	-
Licence fee for exploitation and exploration of mineral resources /in USD/	(2,177)	(9)	-	(1)	(7)	(23)	(49)	(10)	-	(20)	(1,231)	-
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	-	-	59	-	-	-	296	(180,406)	-
Land rent	(600)	4,832	318,320	253,933	6,306	171	-	4,118	(2,744)	-	4,326	-
Fee for water use	(1,662)	-	5,691	-	1,740	1,440	7,442	33,678	-	-	7,697	144
Fee for forestry use and firewood	-	-	-	-	43,243	-	-	118	-	-	-	-
Fee for recruiting foreign experts and workers	24,186	40,731	(100,440)	-	-	197,993	-	(1,320)	-	(26,900)	262	-
Fee for use of mineral resources of widespread deposit	-	-	-	-	3,380	(2,000)	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	18
Charges and service charges	-	-	-	-	-	-	-	-	-	-	-	-
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	-	-	-	-	-	-	-	-	1,553	-	-

Appendix J Schedule of net adjustments resulting from the reconciliation

Items	B-13	B-14	B-15	B-16	B-17	B-18	B-19	B-20	B-21	B-22	B-23	B-24
	"Ivanhoe mines mongolia inc" JSC	"Ankhai international" LLC	"Petro china dachin tamsag" LLC	"Baganuur" JSC	"Erdes holding" LLC	"Shin shin" LLC	"Mongol gazar" LLC	"Jump" LLC	"Urmun Uul" LLC	"Shanlun" LLC	"Gobi coal and energy" LLC	"Shivee ovoo" LLC
Service charges paid to state and local administration in accordance with relevant law	763	-	-	-	-	-	-	-	-	(4,489)	-	-
Custom service fee	(10,136)	(13,249)	40,501	(756)	(113)	(18,955)	-	(67)	-	(463)	-	(230)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on local property	-	-	-	-	-	-	-	-	-	-	-	-
Other payments to recipient government	-	-	-	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	26,390,273	-	-	-	-	-	-	-	-	-
Other	-	-	279,675	-	-	-	-	-	-	-	-	-
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	-	-	6,215	-	2,550	-	-	-	-	3,000	-	-
Monetary donation from business entity to aimag	42	-	32,166	-	1,000	(9,425)	-	-	-	(12,000)	-	-
Monetary donation from business entity to soums	(22)	-	2,167	-	20,760	10,670	164,000	-	-	2,500	-	-
Monetary donation from business entity to local organisations	70,277	-	6,215	-	-	-	-	-	-	-	-	-
Funds disbursed by company in sustainable development and community relations	3,985	24,040	27,904	-	-	-	90,000	11,190	-	6,000	177,438	-
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	6,479	-	10	-	(19,670)	(5,170)	11,077	2,500	-	350	-	2,500
Costs disbursed for protection of the environment	746	-	162,180	-	(340,800)	17,800	-	(299,000)	-	250	4,610	15,500
Total	3,523,640	74,557	27,157,635	321,788	(127,904)	2,080,673	477,859	(279,114)	(784,155)	(5,592)	73,733	39,610

Appendix J Schedule of net adjustments resulting from the reconciliation

Items	B-25	B-26	B-27	B-28	B-29	B-30	B-31	B-32	B-33	B-34	B-35	B-36
	"Shariin gol" JSC	"Khan shijir" LLC	"Sonor trade" LLC	"Mongol alt" JSC	"Tun sin" LLC	"Mongol tsamkhag" LLC	"AUM" LLC	"Khunan jinlen" LLC	"Adamas mining" LLC	"Zuriin bulan" LLC	"Dazan trade" LLC	"Erel" LLC
Taxes												
Corporate income tax	7	-	6,003	-	-	-	-	(250)	(167,827)	(1,200)	-	-
Customs tax	(5,707)	-	(5,420)	(76)	(55,595)	-	89,383	(9,205)	(12,360)	-	-	(102,128)
Windfall tax	-	-	-	(12,518)	-	-	101,826	(20)	-	(12,340)	-	-
Real estate tax	3,600	-	812	(11,910)	2,180	-	-	-	-	-	(304)	(4,175)
Excise tax on imported fuel and lubricants	-	-	-	-	-	-	-	-	-	-	-	(2,321)
Tax on petrol and diesel fuel	-	-	-	-	-	-	-	-	-	-	-	-
Tax on automobile and self moving vehicles	1,440	88	-	(1,563)	-	-	30	(267)	(339)	15	(437)	(5,471)
Other taxes in monetary value (1)	-	-	-	-	-	-	-	-	-	-	10	-
Other taxes in monetary value (2)	-	-	-	-	-	-	-	-	-	-	-	-
Fees												
Fee for exploitation of mineral resources ("royalty fee")	(22,998)	16,188	14,685	(190,463)	472,195	-	11,017	(4,238)	13,632	3,396	-	-
Licence fee for exploitation and exploration of mineral resources	(9,424)	6,556	11,862	(2,982)	5,855	44,721	20,255	829	2,491	7,332	18,920	(4,009)
Licence fee for exploitation and exploration of mineral resources /in USD/	(2)	(6)	(10)	(10)	-	(44)	(18)	(4)	(314)	(4)	(16)	(2)
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	(6,469)	-	(171,591)	-	-	-	-	-	(29,766)
Land rent	43,089	1,428	1,773	(3,423)	1,131	-	1,287	(4)	2,304	16,323	6,779	(536)
Fee for water use	1,991	1,722	640	-	-	-	-	9,000	4,071	17,267	3,264	-
Fee for forestry use and firewood	-	-	-	-	-	-	100	(570)	-	(1,066)	-	-
Fee for recruiting foreign experts and workers	-	-	-	-	36,298	-	(2,580)	22,518	-	173,863	-	-
Fee for use of mineral resources of widespread deposit	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	37,467	-	-	-	-	-	-
Charges and service charges												
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	-	-	-	-	42,276	-	(43)	-	-	-	(1,111)
Service charges paid to state and local administration in	-	-	-	-	-	(1,481)	-	104	(1,870)	-	(4,111)	-

Appendix J Schedule of net adjustments resulting from the reconciliation

Items	B-25	B-26	B-27	B-28	B-29	B-30	B-31	B-32	B-33	B-34	B-35	B-36
	"Shariin gol" JSC	"Khan shijir" LLC	"Sonor trade" LLC	"Mongol alt" JSC	"Tun sin" LLC	"Mongol tsamkhag" LLC	"AUM" LLC	"Khunan jinlen" LLC	"Adamas mining" LLC	"Zuriin bulan" LLC	"Dazan trade" LLC	"Erel" LLC
accordance with relevant law												
Custom service fee	(766)	-	(34)	(8)	21,645	-	12	(114)	(28)	-	-	(2,930)
Other	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	(4,033)	-	-	-	-	-	-	-	-
Dividends on local property	-	-	-	-	-	-	-	-	-	-	-	-
Other payments to recipient government	-	-	-	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	-	-	-	-	-	-	-	-	-	-	100	-
Monetary donation from business entity to aimag	-	13,000	-	-	3	-	-	-	-	-	500	-
Monetary donation from business entity to soums	29,463	2,341	-	-	-	-	-	4,750	-	1,250	(1,400)	-
Monetary donation from business entity to local organisations	-	-	-	-	-	-	-	-	-	-	2,000	-
Funds disbursed by company in sustainable development and community relations	-	-	-	-	-	-	18,400	-	-	-	-	-
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	(2,600)	-	-	-	-	-	17,661	-	-	1,000	100	-
Costs disbursed for protection of the environment	-	(44,927)	-	-	12,000	-	9,810	-	73,600	-	(7,480)	-
Total	38,093	(3,609)	30,311	(233,455)	573,974	(126,914)	267,243	20,555	(84,769)	201,725	22,037	(152,448)

Appendix J Schedule of net adjustments resulting from the reconciliation

Items	B-37	B-38	B-39	B-40	B-41	B-42	B-43	B-44	B-45	B-46	Total
	"Tethys mining" LLC	"Shijir talst" LLC	"Uuls zaamar" LLC	"Aduun chuluun" JSC	"Berleg mining" LLC	"Talbulag trade" JSC	"Eltrana" LLC	"Uurt gold" LLC	"Cold gold mongol" LLC	"Ten khun" LLC	
Taxes											
Corporate income tax	12,130	-	(12,435)	7,996	-	(867)	-	11,558	-	3,248	(19,640,663)
Customs tax	(1,994)	-	-	(14,993)	(111,843)	-	-	-	-	(2,316)	20,135,838
Windfall tax	-	0	22,890	-	(5,515)	-	-	(73,579)	-	-	9,460,508
Real estate tax	(33,934)	-	-	-	-	-	-	-	-	(351)	206,967
Excise tax on imported fuel and lubricants	-	-	-	-	(5,780)	-	-	-	-	-	(807,210)
Tax on petrol and diesel fuel	-	-	-	-	-	-	-	-	-	-	73,801
Tax on automobile and self moving vehicles	(642)	170	(159)	-	(493)	-	-	(26)	-	(157)	18,675
Other taxes in monetary value (1)	-	-	-	-	-	-	-	-	-	-	6,729,772
Other taxes in monetary value (2)	-	-	245	-	-	-	-	-	-	-	72,672
Fees											
Fee for exploitation of mineral resources ("royalty fee")	(8,700)	1,242	3,316	-	(758)	4,575	0	11,673	15,757	-	(12,081,649)
Licence fee for exploitation and exploration of mineral resources	862,938	-	-	-	-	-	10,207	12,802	4,566	-	5,042,601
Licence fee for exploitation and exploration of mineral resources /in USD/	(761)	-	-	-	(7)	-	(40)	(5)	(4)	(6)	(5,798)
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	-	-	100	-	-	-	-	(2,373,021)
Land rent	(2,173)	-	4,736	-	4	450	6,288	8,000	-	(5,960)	9,564,187
Fee for water use	5,701	1,098	-	-	1	6,642	-	-	-	(3,122)	229,983
Fee for forestry use and firewood	-	-	-	-	-	-	-	-	-	-	41,825
Fee for recruiting foreign experts and workers	(4,104)	-	-	-	-	-	(594)	844	-	(121,000)	7,534
Fee for use of mineral resources of widespread deposit	-	-	-	-	-	-	-	-	-	-	1,031,109
Other	-	-	-	-	-	-	-	-	-	-	37,485
Charges and service charges											
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	-	-	-	-	-	-	-	212	-	40,062

Appendix J Schedule of net adjustments resulting from the reconciliation

Items	B-37	B-38	B-39	B-40	B-41	B-42	B-43	B-44	B-45	B-46	Total
	"Tethys mining" LLC	"Shijir talst" LLC	"Uuls zaamar" LLC	"Aduun chuluun" JSC	"Berleg mining" LLC	"Talbulag trade" JSC	"Eltrana" LLC	"Uurt gold" LLC	"Cold gold mongol" LLC	"Ten khun" LLC	
Service charges paid to state and local administration in accordance with relevant law	-	-	-	-	-	600	(229)	-	-	-	60,897
Custom service fee	50	-	-	(194)	(390)	-	-	-	-	(55)	25,989
Other	-	-	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	-	-	-	-	-	-	-	(194,991)
Dividends on local property	-	-	-	-	-	-	-	-	-	-	(6,021,492)
Other payments to recipient government	-	-	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-	-	26,390,273
Other	-	-	-	-	-	-	-	-	-	-	279,675
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	-	-	-	-	-	-	-	-	-	-	298,727
Monetary donation from business entity to aimag	-	-	-	-	-	-	-	-	1,000	10,000	-
Monetary donation from business entity to soums	-	-	-	-	-	-	-	-	1,500	-	-
Monetary donation from business entity to local organisations	-	-	-	-	-	-	-	-	-	-	616,860
Funds disbursed by company in sustainable development and community relations	-	-	1,000	-	-	-	1,650	-	-	-	2,272,532
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	15,070	-	-	16	-	-	73	800	(4,600)	-	114,622
Costs disbursed for protection of the environment	-	(38)	-	-	-	-	-	-	-	-	(1,637,444)
Total	843,582	2,472	19,592	(7,175)	(124,781)	11,500	17,354	(25,223)	25,719	(129,718)	46,048,463

Appendix K Schedule of unresolved differences

Items	B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	B-9	B-10	B-11
	"Erdenet mining corporation" LLC	"Boro Gold" LLC	"Tsairt mineral" LLC	"Tavan tolgoi" JSC	"Bold tumur eroo gol" LLC	"Mongolyn alt MAK" LLC	"Mongolrus stvetmet" LLC	"Shijir alt" LLC	"Chinkhua MAK nariin sukhait" LLC	"Gatsuurt" JSC	"Monpolimet" LLC
Taxes											
Corporate income tax	880	-	-	-	-	-	-	-	-	-	-
Customs tax	-	-	-	50,105	-	-	-	-	0	0	-
Windfall tax	-	0	-	-	-	-	-	0	-	-	-
Real estate tax	-	-	0	-	-	0	-	-	-	-	-
Excise tax on imported fuel and lubricants	-	-	-	-	-	-	-	-	-	-	-
Tax on petrol and diesel fuel	-	-	-	-	-	-	-	-	0	-	-
Tax on automobile and self moving vehicles	(320)	7,458	(170)	-	183	280	-	-	-	-	-
Other taxes in monetary value (1)	-	-	-	-	-	-	-	-	-	-	-
Other taxes in monetary value (2)	-	-	-	-	-	-	-	-	-	-	-
Fees											
Fee for exploitation of mineral resources ("royalty fee")	0	-	-	-	-	-	-	-	0	-	-
Licence fee for exploitation and exploration of mineral resources	-	-	-	-	-	-	-	-	-	-	-
Licence fee for exploitation and exploration of mineral resources /in USD/	0	-	-	-	-	-	-	-	-	-	-
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	-	-	-	-	-	-	-	-
Land rent	-	-	-	6	380	0	-	-	-	-	-
Fee for water use	-	-	(8,375)	(2)	-	0	-	-	-	-	-
Fee for forestry use and firewood	-	-	-	-	-	-	-	-	-	-	-
Fee for recruiting foreign experts and workers	-	(124)	(2,117)	-	-	-	-	-	-	-	-
Fee for use of mineral resources of widespread deposit	-	-	-	-	-	-	-	-	-	-	-
Other	-	(16,848)	-	-	-	-	-	-	-	-	-
Charges and service charges											
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	(7,430)	-	-	-	-	-	-	(27,009)	-	-
Service charges paid to state and local administration in accordance with relevant law	-	(14,183)	-	(5,716)	-	(43,213)	-	-	(93,352)	-	-
Custom service fee	-	-	-	-	240	1,267	0	-	-	-	-

Appendix K Schedule of unresolved differences

Items	B-1	B-2	B-3	B-4	B-5	B-6	B-7	B-8	B-9	B-10	B-11
	"Erdenet mining corporation" LLC	"Boro Gold" LLC	"Tsairt mineral" LLC	"Tavan tolgoi" JSC	"Bold tumur eroo gol" LLC	"Mongolyn alt MAK" LLC	"Mongolrus stvetmet" LLC	"Shijir alt" LLC	"Chinkhua MAK nariin sukhait" LLC	"Gatsuurt" JSC	"Monpolimet" LLC
Other	-	-	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	-	-	-	-	-	-	-	-
Dividends on local property	-	-	-	-	-	-	-	-	-	-	-
Other payments to recipient government	-	-	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	-	-	(1,720)	-	(1,300)	-	(3,786)	-	-	-	-
Monetary donation from business entity to aimag	-	-	-	(500)	-	-	-	-	-	-	-
Monetary donation from business entity to soums	-	-	-	-	-	-	(25,728)	-	-	-	-
Monetary donation from business entity to local organisations	-	-	(2,700)	-	-	-	(6,776)	-	-	-	-
Funds disbursed by company in sustainable development and community relations	-	-	-	-	-	-	(2,100)	-	-	-	-
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	(1,000)	-	50	-	-	-	-	-	-	-	-
Costs disbursed for protection of the environment	(130,000)	(1,109,033)	1,450,815	-	(110,280)	-	(855,062)	-	-	-	-
Total	(130,440)	(1,140,161)	1,435,782	44,133	(109,750)	(42,933)	(893,452)	-	(120,361)	-	-

Appendix K Schedule of unresolved differences

Items	B-12	B-13	B-14	B-15	B-16	B-17	B-18	B-19	B-20	B-21	B-22
	"Engui tal" LLC	"Ivanhoe mines mongolia inc" JSC	"Ankhai international" LLC	"Petro china dachin tamsag" LLC	"Baganuur" JSC	"Erdes holding" LLC	"Shin shin" LLC	"Mongol gazar" LLC	"Jump" LLC	"Urmun Uul" LLC	"Shanlun " LLC
Taxes											
Corporate income tax	-	-	-	-	-	-	-	-	-	-	-
Customs tax	-	-	-	-	(8,436)	-	-	20,474	-	-	-
Windfall tax	-	-	-	-	-	-	-	-	-	-	-
Real estate tax	-	-	-	-	-	-	-	-	-	-	-
Excise tax on imported fuel and lubricants	-	-	-	-	-	-	-	-	-	-	-
Tax on petrol and diesel fuel	-	-	-	-	-	-	-	-	-	-	-
Tax on automobile and self moving vehicles	-	-	-	-	-	-	-	(1,445)	-	-	-
Other taxes in monetary value (1)	-	-	-	-	-	-	-	-	-	-	-
Other taxes in monetary value (2)	-	-	-	-	-	-	-	-	-	-	-
Fees											
Fee for exploitation of mineral resources ("royalty fee")	-	-	-	-	2	-	-	(19,633)	-	1	-
Licence fee for exploitation and exploration of mineral resources	-	-	-	-	-	-	-	2,621	(9)	-	-
Licence fee for exploitation and exploration of mineral resources /in USD/	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	-	-	-	-	-	-	-	-
Land rent	-	-	-	-	328	-	-	-	-	-	-
Fee for water use	-	-	-	-	-	-	-	(140)	-	-	-
Fee for forestry use and firewood	-	-	-	-	-	-	-	-	(150)	-	-
Fee for recruiting foreign experts and workers	-	-	-	-	4,536	-	-	-	-	-	(3,240)
Fee for use of mineral resources of widespread deposit	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Charges and service charges											
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	(10,059)	-	-	-	-	-	(1)	-	-	(14)
Service charges paid to state and local administration in accordance with relevant law	-	(102,423)	-	-	-	(1,076)	-	-	(16,590)	-	(5,313)
Custom service fee	-	-	-	-	-	-	-	430	-	-	-

Appendix K Schedule of unresolved differences

Items	B-12	B-13	B-14	B-15	B-16	B-17	B-18	B-19	B-20	B-21	B-22
	"Engui tal" LLC	"Ivanhoe mines mongolia inc" JSC	"Ankhai international" LLC	"Petro china dachin tamsag" LLC	"Baganuur" JSC	"Erdes holding" LLC	"Shin shin" LLC	"Mongol gazar" LLC	"Jump" LLC	"Urmun Uul" LLC	"Shanlun " LLC
Other	-	-	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	-	-	-	-	-	-	-	-
Dividends on local property	-	-	-	-	-	-	-	-	-	-	-
Other payments to recipient government	-	-	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to aimag	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to soums	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to local organisations	-	-	-	-	-	-	-	-	-	-	-
Funds disbursed by company in sustainable development and community relations	-	-	-	-	-	-	-	-	-	-	-
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	-	-	-	-	-	-	-	11,070	-	-	-
Costs disbursed for protection of the environment	-	(14,329)	-	-	-	-	-	88,371	-	-	-
Total	-	(126,811)	-	-	(3,570)	(1,076)	-	101,747	(16,749)	1	(8,567)

Appendix K Schedule of unresolved differences

Items	B-23 "Gobi coal and energy" LLC	B-24 "Shivee ovoo" LLC	B-25 "Shariin gol" JSC	B-26 "Khan shijir" LLC	B-27 "Sonor trade" LLC	B-28 "Mongol alt" JSC	B-29 "Tun sin" LLC	B-30 "Mongol tsamkhag" LLC	B-31 "AUM" LLC	B-32 "Khunan jinlen" LLC	B-33 "Adamas mining" LLC	B-34 "Zurin bulan" LLC
Taxes												
Corporate income tax	-	-	-	-	-	-	-	-	10	-	-	-
Customs tax	-	-	-	-	-	-	-	-	-	-	-	-
Windfall tax	-	-	-	-	-	-	-	-	-	-	-	-
Real estate tax	-	-	-	-	-	-	-	-	-	-	-	-
Excise tax on imported fuel and lubricants	-	-	-	-	-	-	-	-	-	-	-	-
Tax on petrol and diesel fuel	-	-	-	-	-	-	-	-	-	-	-	-
Tax on automobile and self moving vehicles	(92)	-	-	-	56	-	-	-	-	-	(51)	-
Other taxes in monetary value (1)	-	-	-	-	-	-	-	-	-	-	-	-
Other taxes in monetary value (2)	-	-	-	-	-	-	-	-	-	-	-	-
Fees	-	-	-	-	-	-	-	-	-	-	-	-
Fee for exploitation of mineral resources ("royalty fee")	(1,125)	2,556	-	-	-	-	-	-	-	-	-	-
Licence fee for exploitation and exploration of mineral resources	-	-	-	-	-	-	-	-	-	-	-	-
Licence fee for exploitation and exploration of mineral resources /in USD/	(6)	-	-	-	-	-	-	-	-	-	-	-
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	-	-	-	-	-	-	-	-	-
Land rent	-	-	-	-	-	-	-	-	-	-	-	-
Fee for water use	-	-	-	-	-	-	(730)	-	-	-	-	-
Fee for forestry use and firewood	-	-	-	-	-	-	-	-	-	-	-	-
Fee for recruiting foreign experts and workers	-	-	-	-	-	-	-	-	-	-	-	-
Fee for use of mineral resources of widespread deposit	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Charges and service charges	-	-	-	-	-	-	-	-	-	-	-	-
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	-	-	-	-	-	-	-	(1,279)	-	-	-
Service charges paid to state and local administration in accordance with relevant law	-	-	-	-	-	-	(3,199)	-	-	(5,785)	-	(10,900)
Custom service fee	-	-	-	-	-	-	-	-	-	-	-	-

Appendix K Schedule of unresolved differences

Items	B-23 "Gobi coal and energy" LLC	B-24 "Shivee ovoo" LLC	B-25 "Shariin gol" JSC	B-26 "Khan shijir" LLC	B-27 "Sonor trade" LLC	B-28 "Mongol alt" JSC	B-29 "Tun sin" LLC	B-30 "Mongol tsamkhag" LLC	B-31 "AUM" LLC	B-32 "Khunan jinlen" LLC	B-33 "Adamas mining" LLC	B-34 "Zurin bulan" LLC	
Other	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends on state and local property	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends on state property	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends on local property	-	-	-	-	-	-	-	-	-	-	-	-	
Other payments to recipient government	-	-	-	-	-	-	-	-	-	-	-	-	
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	-	
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-	-	-	-	
Monetary donation from business entity to ministries and agencies	-	-	-	-	-	-	-	-	-	-	-	-	
Monetary donation from business entity to aimag	-	-	-	-	-	-	-	-	-	-	-	-	
Monetary donation from business entity to soums	-	-	-	(11,096)	-	-	-	-	-	-	-	-	
Monetary donation from business entity to local organisations	-	-	-	-	-	-	-	-	-	-	-	-	
Funds disbursed by company in sustainable development and community relations	(12,350)	-	-	-	-	-	-	-	-	-	-	-	
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-	-	-	-	
In kind contribution at rate of 50% to environmental special account	-	-	-	-	-	-	-	-	-	-	-	-	
Costs disbursed for protection of the environment	-	-	(20)	-	-	-	-	-	-	-	-	-	
Total	(13,573)	2,556	(11,116)		56		(3,929)		10	(1,279)	(5,785)	(51)	(10,901)

Appendix K Schedule of unresolved differences

Items	B-35	B-36	B-37	B-38	B-39	B-40	B-41	B-42	B-43	B-44	B-45	B-46	TOTAL
	"Dazan trade" LLC	"Erel" LLC	"Tethys mining" LLC	"Shijir talst" LLC	"Uuls zaamar" LLC	"Aduun chuluun" JSC	"Berleg mining" LLC	"Talbul ag trade" JSC	"Eltrana" LLC	"Uurt gold" LLC	"Cold gold mongol" LLC	"Ten khun" LLC	
Taxes													
Corporate income tax	-	-	-	-	(1)	-	-	-	-	-	3,248	4,137	
Customs tax	-	-	-	-	-	-	-	-	-	-	(2,316)	59,827	
Windfall tax	-	-	-	-	-	-	-	-	-	-	-	-	
Real estate tax	-	-	-	-	-	-	-	-	-	-	3,480	3,480	
Excise tax on imported fuel and lubricants	-	-	-	-	-	-	-	-	-	-	-	(1)	
Tax on petrol and diesel fuel	-	-	-	-	-	-	-	-	-	-	-	0	
Tax on automobile and self moving vehicles	-	-	-	(679)	-	-	-	-	(330)	-	455	5,345	
Other taxes in monetary value (1)	-	-	-	-	-	-	-	-	-	-	-	-	
Other taxes in monetary value (2)	-	-	-	-	-	-	-	-	-	-	-	-	
Fees													
Fee for exploitation of mineral resources ("royalty fee")	-	-	-	-	-	-	-	-	-	-	-	(18,200)	
Licence fee for exploitation and exploration of mineral resources	-	-	-	-	90	-	-	-	-	-	-	2,702	
Licence fee for exploitation and exploration of mineral resources /in USD/	-	-	-	-	-	-	-	-	-	-	-	(6)	
Reimbursement of deposit, exploration of which is carried by the budget fund	-	-	-	-	-	-	-	-	-	-	-	-	
Land rent	-	(536)	-	-	-	-	-	-	-	-	(5,960)	(5,782)	
Fee for water use	-	-	-	-	-	-	-	-	-	-	-	(9,246)	
Fee for forestry use and firewood	-	-	-	-	-	-	-	-	-	-	-	(150)	
Fee for recruiting foreign experts and workers	-	-	-	-	-	-	-	-	-	-	(28,480)	(29,426)	
Fee for use of mineral resources of widespread deposit	-	-	-	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	-	-	(16,848)	
Charges and service charges													
Stamp and other charges for registration paid to state and local administration in accordance with relevant law	-	(1,111)	-	-	-	(7,120)	-	-	-	-	-	-	(54,022)
Service charges paid to state and local administration in accordance with relevant law	-	-	-	-	-	-	-	-	(2,899)	-	-	-	(304,650)
Custom service fee	-	-	-	-	-	-	-	-	-	-	(55)	1,882	

Appendix K Schedule of unresolved differences

Items	B-35	B-36	B-37	B-38	B-39	B-40	B-41	B-42	B-43	B-44	B-45	B-46	TOTAL
	"Dazan trade" LLC	"Erel" LLC	"Tethys mining" LLC	"Shijir talst" LLC	"Uuls zaamar" LLC	"Aduun chuluun" JSC	"Berleg mining" LLC	"Talbul ag trade" JSC	"Eltrana" LLC	"Uurt gold" LLC	"Cold gold mongol" LLC	"Ten khun" LLC	
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on state and local property	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on state property	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends on local property	-	-	-	-	-	-	-	-	-	-	-	-	-
Other payments to recipient government	-	-	-	-	-	-	-	-	-	-	-	-	-
Entitlement under Production Sharing Contract with the government	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Donations to Governmental organisations	-	-	-	-	-	-	-	-	-	-	-	-	-
Monetary donation from business entity to ministries and agencies	-	-	-	-	-	-	-	-	-	-	-	-	(6,806)
Monetary donation from business entity to aimag	-	-	-	-	-	-	-	-	-	-	-	-	(500)
Monetary donation from business entity to soums	(2,000)	-	-	-	-	-	-	-	-	-	-	-	(38,824)
Monetary donation from business entity to local organisations	-	-	-	-	-	-	-	-	-	-	-	-	(9,476)
Funds disbursed by company in sustainable development and community relations	-	-	-	-	-	-	-	-	-	-	-	-	(14,450)
Costs disbursed for protection of the environment	-	-	-	-	-	-	-	-	-	-	-	-	-
In kind contribution at rate of 50% to environmental special account	-	-	-	-	-	-	(3)	-	-	-	-	-	10,118
Costs disbursed for protection of the environment	-	-	-	-	-	-	(3)	30	-	-	-	-	(679,511)
Total	(2,000)	(1,647)	-	(679)	89	(7,121)	(5)	30	(2,899)	(330)	-	(29,629)	(1,100,407)

Appendix L Donations, assistance provided by the companies (per detailed reports of the companies)

#	Company name	Date	Organization name which received donations and assistance	Description	Amount /in thousand MNT/
1	"Erdenet mining corporation" LLC	7/14/2008	Governor's Office of Bulgan aimag	Religious ritual,/Buddha painting , Orkhon aimag/	347,436
		1/4/2008	Governor's Office of Bulgan aimag	Religious ritual,/Buddha painting , Orkhon aimag/	126,345
		5/12/2008	Governor's Office of Bulgan aimag	Religious ritual,/Buddha painting , Orkhon aimag/	349,482
		6/30/2008	Governor's Office of Bulgan aimag	Price for vehicle taken from Erdenet Mining	7,291
		4/30/2008	Erdenet amidral local government equity company	Line, network expense of "Erdenet Amidral"	644,830
		12/31/2008	Erdenet amidral local government equity company	Line, network expense of "Erdenet Amidral"	4,743,754
Sub-total					6,219,137
2	"Boro Gold" LLC	12/24/2008	Mineral Resources Authority of Mongolia /MRAM/	Computer, furniture and fixtures	24,860
		12/22/2008	Mineral Resources Authority of Mongolia /MRAM/	Computers to Geology department	3,455
		12/30/2008	General Hospital , Darkhan-Uul aimag	Computers	6,082
		3/18/2008	Tunkhel Village, Mandal soum, Selenge aimag	Donation for Soum development	13,546
		7/10/2008	Tunkhel Village, Mandal soum, Selenge aimag	Naadam's Festival	1,000
		7/17/2008	Bayangol soum, Selenge aimag	Musical instrument	3,350
Sub-total					52,293
3	"Tsairt mineral" LLC		Standing Commission	To fix damage by nature disaster	10,000
			Aimag Development Fund	Religious activities	6,500
			Universities	Tuition fee of 40 students	29,488
			Asgat soum, Sukhbaatar aimag	Herder of Asgat soum	500
			Sukbaatar soum, Sukhbaatar aimag	Donation for organizing Naadam festival	1,000
			Sukbaatar soum, Sukhbaatar aimag	To fix damage by nature disaster	500
			Asgat soum	Children park in Asgat	3,000
			Sukbaatar soum, Sukhbaatar aimag	To fix damage by nature disaster	5,000
			Committee of Eldest	Puplication for Elder people	1,980
			Committee of Eldest	Puplication for Elder people	2,000
			Sport Committee of aimag	Donation	200
			Hospital of aimag	Donation	1,000
			Committee of people having poor eyesight	Donation for supporting people having poor eyesight	250
			Labor Union	Supporting operations of Aimag's Labor Union	250
			Development fund for aimag	Donation to monument contruction located at Sukhbaatar square of Baruun-Urt soum	20,000
			The company has build and submitted by itself.	Donation to monument contruction located at Sukhbaatar square of Baruun-Urt soum	130,000
		2008.01.14	Mining Office	Donation /iridium phone/	1,720
		2008.05.13	Auto road fund of Dornogovi aimag	Donation	130,000
		2008.05.16	National Centre	Donation	1,000

Appendix L Donations, assistance provided by the companies (per detailed reports of the companies)

#	Company name	Date	Organization name which received donations and assistance	Description	Amount /in thousand MNT/
		2008.07.07	State Philoramony	Donation	10,000
	Sub-total				224,388
4	“Tavan tolgoi” JSC	2008.09.30	Civil Representative Khural of Umnugobi aimag	Car	4,900
		2008.09.30	General Hospital	Coal	112
		2008.12.15	General Hospital	Monetary donation	4,978
		2008.02.27	Governor's Office of aimag	Monetary donation	500
		2008.07.17	Governor's Office of aimag	Monetary donation	5,000
		2008.09.22	Police department	Monetary donation	4,500
		2008.01.15	Children Care Centre	Monetary donation	1,000
		2008.01.28	11 th kindergarten	Monetary donation	1,000
		2008.09.09	3 th secondary school	Monetary donation	4,500
		2008.10.23	24 th kindergarten	Monetary donation	1,000
		2008.9.19	Kindergarten of Tsogt-tsetsii soum	Monetary donation	500
		2008.5.13	Hospital of Tsogt-tsetsii soum	Car	19,000
		2008.11.23	Kindergarten of Tsogt-tsetsii soum	Coal	792
		2008.01.18	Soum cattle security fund	Monetary donation	10,000
		2008.04.01	Governor's Office of Tsogt-tsetsii soum	Monetary donation	9,000
		2008.05.05	Governor's Office of Tsogt-tsetsii soum	Monetary donation	5,445
		2008.06.30	Governor's Office of Tsogt-tsetsii soum	Monetary donation	935
		2008.11.30	Tsogttsetsii soum	Diesel and fuel	9,964
		2008.01.17	Civil Representative Khural of Tsogt-tsetsii soum	Monetary donation	17,000
	Sub-total				100,126
5	“Bold tumur eruu gol” LLC	10/16/2008	MRAM	Donation for 59th anniversary of Geology Office	1,000
		9/25/2008	Emergency department		300
		12/22/2008	MRAM	Donation for Christmas events	3,000
		1/28/2008	Eruu soum, Selenge aimag	Soum development fund	100,000
		8/27/2008	Eruu soum, Selenge aimag	Tuition fee for Soums' student	7,500
		12/22/2008	Shaamar soum, Selenge aimag	Soum development fund	12,229
			Shaamar soum, Selenge aimag	Plant trees in Dulaankhaan village	5,000
		8/29/2008	Shaamar soum, Selenge aimag	Tuition fee for Soums' student	2,572
		1/25/2008	Shaamar soum, Selenge aimag	Gift for Elder people in Shaamar and Dulaankhaan village	680
		7/25/2008	Shaamar soum, Selenge aimag	Donation for fee of draw plan of hospital in Dulaankhaan village	4,000
		5/12/2008	Shaamar soum, Selenge aimag	Donation for travel expenses of Elder people of Dulaankhaan village	3,300
		6/19/2008	Shaamar soum, Selenge aimag	Donation for archery festival to Dulaankhaan village	1,640
		7/1/2008	Shaamar soum, Selenge aimag	Donation to Shaamar soum	1,000
		7/1/2008	Shaamar soum, Selenge aimag	Donation for festival to Dulaankhaan village	1,000
		12/23/2008	Shaamar soum, Selenge aimag	Donation to Governors' office of Dulaankhaan	600

Appendix L Donations, assistance provided by the companies (per detailed reports of the companies)

#	Company name	Date	Organization name which received donations and assistance	Description	Amount /in thousand MNT/
				village	
		6/9/2008	Shaamar soum, Selenge aimag	Religious activities for Dulaankhaan village	946
			Selenge aimag	Sport Committee of Selenge aimag	1,000
			Eruu soum, Selenge aimag	Donation to Elder people	399
		7/18/2008	Eruu soum, Selenge aimag	donation to hospital of Bugant village of Yruu soum	1,000
		1/9/2008	Eruu soum, Selenge aimag	donation to school of Bugant village of Yruu soum	1,020
Sub-total					148,185
6	"Mongolyn alt MAK" LLC	2008.09.23	Administration of Special Security of Bogdkhaan Uul	Donation	1,000
		2008.07.16	Delgerkhangai soum, Dundgobi aimag	Donation	500
		2008.07.18	Bayanjargalan soum, Dundgobi aimag	Donation	500
		2008.04.11	Gurvantes soum, Umnugobi aimag	Donation	200
		2008.08.14	Mandah soum, Dornogobi aimag	To re-funding of the energy	2,500
		2008.08.11	Zag soum, Bayankhongor aimag	Financing of tourism expenditure	1,500
		2008.07.31	Mandah soum, Dornogobi aimag	Maintanence of teacher's building	24,311
Sub-total					30,511
7	"Mongolrustvetmet" LLC	2008.01.31	Mongolian Embassy at Moskva	Issue of uniform to security guard	201
		2008.03.31	Ministry of Foreign Affairs	Support cooperation activity of "MongoliaRussia Tsvetmet" LLC and Ministry of Foreign Affairs	3,125
		2008.11.30	Ministry of Industry and Trade, Mining Association	Donation of legal documents materials as distribution during the semionar organization.	460
		2008.07.31	Berkh soum, Khentii aimag	To fix damage caused by nature disaster.	1,500
		2008.07.31	Bayanjargalan soum, Khentii aimag	Donation to Governors' Office for organizing Naadam's festival	3,800
		2008.08.21	Zaamar soum, tuv aimag	Donation for road re-construction work	20,000
		2008.09.30	Airag soum Dornogobi aimag	Donations for 80th anniversary events of Airag soum	428
		2008.03.31	Governors' Office of Urgun soum Dornogobi aimag	Donation for organizing the Meeting of Herders	123
		2008.03.31	Governors' Office of Bor-Undur soum	Donation for religious activity /Ochirvaani/	300
		2008.03.31	22nd Khoroo of Bayanzurkh district	Donation for "Tsagaan sar" festival	500
		2008.04.03	22nd Kindergardan of Bayanzurkh district	Donation for organizing activities to provide education to pre-school children	500
		2008.05.31	55th Secondary School of Bayanzurkh district	Gift for school's	483

Appendix L Donations, assistance provided by the companies (per detailed reports of the companies)

#	Company name	Date	Organization name which received donations and assistance	Description	Amount /in thousand MNT/
				anniversary	
		2008.09.26	22nd Khoroo of Bayanzurkh district	Donation for Elders' day	100
		2008.09.30	Post Office of Khentii aimag	Donation	1,200
		2008.10.31	Mathematic department of Mongolian National University	Donation	500
		2008.12.26	Post Office of City	Donation	2,500
		2008.12.31	Governors' Office of Khentii aimag	Donation for 70th year anniversary for Khalkh gol war victory	1,250
		2008.05.31	Disabled Counsel of Bor-Undur	Donation	250
		2008.07.31	Sport Committee of Khentii aimag	Donation for organzing the contest	1,600
		2008.09.15	Elders' Committee in UB	Donation for 40th year anniversary events of Elder's Committee	100
		2008.10.22	Association of Technology, Innovation Youth NGO	Prize for winners of "Khureltogoot-2008" scientific conference	150
Sub-total					39,070
8	"Shijir alt" LLC	2008.07.08	Governors' Office of Bulgan aimag	Donation	10,000
		2008.06.25	Buregkhangai soum, Bulgan aimag	Donation	2,500
		2008.09.01	Buregkhangai soum, Bulgan aimag	Donation	2,500
Sub-total					15,000
9	"Chinkhua MAK nariin sukhait" LLC	2008.12.22	MRAM	Conference and meetings	3,000
		2008.01.18	Governors' Office in Umnugobi	Donation	5,000
		2008.06.09	Umnugovi Centre	Donation	500
		2008.09.09	NCCI of Umnugobi aimag	Donation for organizing Gobi Festival	1,000
		2008.01.12	Sevrei soum, Umnugobi aimag	coal	1,244
		2008.01.12	Noyon soum, Umnugobi aimag	coal	2,122
		2008.01.12	Gurvantes soum, Umnugobi aimag	coal	857
		2008.01.18	Gurvantes soum, Umnugobi aimag	Governors' Office /tuition fee/	1,368
		2008.09.18	Gurvantes soum, Umnugobi aimag	Governors' Office /tuition fee/	1,330
		2008.07.09	Gurvantes soum, Umnugobi aimag	Donation to Governors' Office for organizing Naadam's festival	1,000
		2008.07.18	Noyon soum, Umnugobi aimag	Donation to Governors' Office for organizing Naadam's festival	1,000
		2008.03.08	Gurvantes soum, Umnugobi aimag	Governors' Office /prize of the contest/	1,389
		2008.09.23	Gurvantes soum, Border Army No.0166	Construction materials	11,510
		2008.10.28	Gurvantes soum, Border Army No.0166	Donation to anniversary	10,000
Sub-total					3,438,181
10	"Gatsuurt" LLC	2008.08.15	Bat-Ulzii soum, Uvurkhangai	Accomplishment for hospital	200

Appendix L Donations, assistance provided by the companies (per detailed reports of the companies)

#	Company name	Date	Organization name which received donations and assistance	Description	Amount /in thousand MNT/
		2008.08.29	Bat-Ulzii soum, Uvurkhangai	Donation to Governors' Office	300
		2008.09.05	MNCCI	Donation for new office	10,000
		2008.10.01	Administration of Special secured Area of Bogd Khan Uul	Donation for anniversary	1,000
		2008.11.10	State service department /State palace/	Religios activities	50,000
		2008.12.22	Water Office	Donation for anniversary	500
Sub-total			-		62,000
12	"Engui tal" LLC	2008.08.20	Shinejinst soum, Bayankhongor aimag	Governors' Office /repairment for irrigation system/	6,000
Sub-total					6,000
13	"Ivanhoe mines mongolia" LLC	2008.12.31	Hospital of Umnugobi aimag	Scholarship for soum's doctors program	14,035
		2008.12.31	Hospital of Umnugobi aimag	Office for Soums doctors program	17,630
		2008.12.31	Education department of Umnugobi aimag	Student scholarship	22,914
		2008.12.08	Development fund for aimag	Donation for survey work	318,964
		2008.12.30	Bayan-ovoo, Umnugobi aimag	Fuel	6,349
		2008.12.30	Bayan-ovoo, Umnugobi aimag	Ger	750
		2008.12.24	Bayan-ovoo, Umnugobi aimag	Computer	1,492
		2008.12.30	Manlai soum, Umnugobi aimag	Fuel	8,090
		2008.12.30	Manlai soum, Umnugobi aimag	Ger	750
		2008.12.30	Manlai soum, Umnugobi aimag	Camp	22,505
		2008.06.25	Khanbogd soum, Umnugobi aimag	Master plan	9,000
		2008.09.23	Khanbogd soum, Umnugobi aimag	Conference room	250
		2008.12.30	Khanbogd soum, Umnugobi aimag	Fuel	14,784
		2008.08.28	Khanbogd soum, Umnugobi aimag	Dictionary to school	225
		2008.09.30	Khanbogd soum, Umnugobi aimag	Accumulator for Hospital vehicle	52
		2008.09.30	Khanbogd soum, Umnugobi aimag	Car for ambulance /emergency/	70,000
		2008.12.24	Khanbogd soum, Umnugobi aimag	Computer to secondary school	1,492
		2008.12.24	Khanbogd soum, Umnugobi aimag	Donation for Temple opening ceremony to Governors' Office	1,000
Sub-total					510,282
14	"Ankhai international" LLC	2008.05.09	Bayanjargalan soum, Tuv aimag	Donation for tuition fees to Governors' children	1,000
		2008.08.28	Bayanjargalan soum, Tuv aimag	Donation for soums events to Governors' Office	2,000
		2008.06.20	Bayanjargalan soum, Tuv aimag	Digging of water hole, spare parts	1,150
		2008.06.19	Bayanjargalan soum, Tuv aimag	Governors' Office /water truck ZIL-130/	12,000
		2008.08.28	Bayanjargalan soum, Tuv aimag	Governors' Office /fuel for water truck/	263
		2008.09.18	Bayanjargalan soum, Tuv aimag	Spare parts of vehicle and its repairment fees for Police unit	2,402
		2008.05.09	Bayanjargalan soum, Tuv aimag	Governors' Office /Sport utilities/	1,000
		2008.07.19	Bayanjargalan soum, Tuv aimag	Donation to Governors' Office for Naadam's	1,000

Appendix L Donations, assistance provided by the companies (per detailed reports of the companies)

#	Company name	Date	Organization name which received donations and assistance	Description	Amount /in thousand MNT/
				festival	
		2008.12.30	Bayanjargalan soum, Tuv aimag	Governors' Office /2,163 fuel for soum/	2,916
		2008.05.29	Bayanjargalan soum, Tuv aimag	Governors' Office /Gift for Children's day/	249
		2008.08.28	Bayanjargalan soum, Tuv aimag	Governors' Office /couples' competition bet /	60
	Sub-total				24,040
15	“Petro China dachin tamsag” LLC	2008.09.15	Dornod aimag	Vocational training centre	8,280
		2008.05.16	Petroleum Authority of Mongolia	Donation for Petroleum event	5,818
		2008.07.10	Dornod aimag	Donation to Governors' Office for Naadam's festival	5,000
		2008.08.19	Choibalsan soum, Dornod aimag	Donation to Governors' Office	5,000
		2008.09.10	Matad soum, Dornod aimag	Donation to Governors' Office	2,500
		July 2008	FIFTA	Computer	770
		July 2008	Dornod aimag	Car for ambulance /emergency/	20,000
		July 2008	Dornod aimag	Governors' Office /monetary donation for bridge construction in Bichigt port/	23,400
		2008 7 cap	Khalkh gol soum, Dornod aimag	Governors' Office /20 tons cement/	3,200
		2008 7 cap	Matad soum, Dornod aimag	Governors' Office /600 litre fuel/	3,780
		2008 9 cap	Erdenetsagaan soum, Dornod aimag	Governors' Office /fuel to military unit/	1,200
		2008 10cap	Matad soum, Dornod aimag	Governors' Office Donation	500
		2008 11cap	Dornod aimag	Governors' Office /Donation to Emergency Assistance Office/	800
		2008 12cap	Matad soum, Dornod aimag	Governors' Office /christmas gifts for children/	11,533
	Total		-		91,780
17	“Erdes holding” LLC	2008.05.15	Police Office of Selenge aimag	Donation	500
		2008.03.21	Civil Representative Khural of Khuder soum, Selenge aimag	according to contract	4,560
		2008.06.27	Civil Representative Khural of Khuder soum, Selenge aimag	For construction of Kindergarten #23	400
		2008.07.22	Khuder soum, Selenge aimag	according to contract	10,000
		2008.10.10	Khuder soum, Selenge aimag	For construction of Kindergarten #23	660
	Sub-total				16,120
18	“Shin shin” LLC	2008.07.08	“Development fund” of Dornod aimag	Donation	2,000
		2008.07.23	Sergelen soum, Dornogovi aimag	Donation	500
		2008.11.03	Labor and Welfare Services, Dornod aimag	Donation	500
		2008.11.04	“Development fund” of Dornod aimag	Donation	5,000

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#	Company name	Date	Organization name which received donations and assistance	Description	Amount /in thousand MNT/
19	"Mongol gazar" LLC	2008.11.03	Children Centre, Dornod aimag	Donation	200
		2008.12.05	Emergency Office in Dornod aimag	Donation	300
					8,500
Sub-total					
20	"Jump" LLC	2008.07.17	Peoples of Uyanga soum	Donation	110,000
		2008.09.04	Peoples of Uyanga soum	Donation	90,000
		2008.10.0	Peoples of Uyanga soum	Donation	70,500
Sub-total					270,500
22	"Shanlun" LLC	2008.01.30	Governor Office, Eruu, Selenge aimag	Donation to Elder People	200
		2008.08.22	Sustainable living Project	Hospital roof repair made according to Project implemented in Dornod aimag.	2,000
		2008.07.08	Governor Office, Eruu, Selenge aimag	Donation	500
Sub-total					2,700
23	"Gobi coal and energy" LLC	2008.12.19	Dornod aimag	Donation	3,000
		2008.07.07	Dornod aimag	Donation to Naadam Festival	2,000
		2008.10.13	"Development fund" of Dornod aimag	Donation	5,000
		2008.07.06	Choibalsan soum, Dornod aimag	Donation to Naadam Festival	700
		2008.09.25	Individual Sainjargal S. Choibalsan soum, Dornod aimag	Donation	300
		2008.09.23	Tution fee /Khongorzul. P/	Tuition fee	1,500
		2008.05.14	Khavirga port, Dornod aimag	Fence price	6,000
Sub-total					18,500
24	"Gobi coal and energy" LLC	2008.08.27	Shinejinst soum, Bayankhongor aimag	Donation	635
		2008.01.10	Jargalant soum, Govi-Altai aimag	Donation to "Jargalant" fund	250
		2008.01.15	Chandmani soum, Govi-Altai aimag	Donation / Automobile repair, maintanence/	300
		2008.01.18	Chandmani soum, Govi-Altai aimag	Year 2008 Donation - Chandmani soum, Govi-Altai aimag	1,500
		2008.02.04	Chandmani soum, Govi-Altai aimag	Donation to Chandmani soum, Govi-Altai aimag	2,000
		2008.02.04	Tugurg soum, Govi-Altai aimag	Donation	3,000
		2008.02.04	Tugurg soum, Govi-Altai aimag	Donation for environment expense	2,000
		2008.02.20	"Soum development fund" Delger soum, Govi-Altai aimag	Donation to Delger soum, Govi-Altai aimag	400
		2008.02.22	Khaliun soum, Govi-Altai aimag	Donation to Khaliun soum, Govi-Altai aimag	500
		2008.03.31	"Soum development fund" of Shinejinst soum, Bayankhongor aimag	Local government donation /3rd bag building construction/	4,500
		2008.03.31	Governor Office of Chandmani soum, Govi-Altai aimag	Local government donation	4,000
		2008.04.04	Governor Office of Biger soum, Govi-Altai aimag	Local government donation	2,000
		2008.04.08	"Investment fund" of Bayankhongor aimag	Local government donation	6,000

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#	Company name	Date	Organization name which received donations and assistance	Description	Amount /in thousand MNT/
		2008.04.22	Shinejinst soum, Bayankhongor aimag	Donation to Shinejinst soum, /Design picture price of Ekh River /	800
		2008.04.23	Shinejinst soum, Bayankhongor aimag	Participation donation for tender to re-construct flowing system of Ekh River	540
		2008.05.19	Governor's Office, Govi-Altai aimag	Donation	11,635
		2008.05.21	Chandmani soum, Govi-Altai aimag	Donation /according to cooperation agreement/	4,000
		2008.05.30	Biger soum, Govi-Altai aimag	Donation	1,500
		2008.06.12	Civil Representative Khural of Govi-Altai	Donation	2,500
		2008.06.18	Reserve Fund at Governor's Office, Biger soum, Govi-Altai aimag	Donation, as mortgage of Environmental Restoration	1,000
		2008.06.20	Shinejinst soum, Bayankhongor aimag	Donation	5,736
		2008.06.20	Shinejinst soum, Bayankhongor aimag	Donation /according to cooperation agreement/	12,040
		2008.07.03	Shinejinst soum, Bayankhongor aimag	Donation	3,355
		2008.07.10	Governor Office of Delgerkhangai soum, Dundgovi aimag	Donation	1,000
		2008.07.21	Shinejinst soum Secondary School, Bayankhongor aimag.	Donation	1,000
		2008.07.22	Shinejinst soum, Bayankhongor aimag	Donation	350
		2008.08.13	Biger soum, Govi-Altai aimag	Donation	5,000
		2008.08.16	Shinejinst soum, Bayankhongor aimag	Donation	1,885
		2008.08.21	Altai city, Govi-Altai aimag	Donation for religioius ritual	8,000
		2008.08.27	Shinejinst soum, Bayankhongor aimag	Donation	4,000
		2008.08.27	Shinejinst soum, Bayankhongor aimag	Donation	1,000
		2008.09.11	Tugurg soum, Govi-Altai aimag	Local government donation	1,800
		2008.09.12	Chandmani soum, Govi-Altai aimag	Local government donation	2,000
		2008.09.17	Shinejinst soum, Bayankhongor aimag	Donation /tutition fee/	550
		2008.10.03	Tugurg soum, Govi-Altai aimag	Donation/Baasanjav N./	1,500
		2008.10.03	Chandmani soum, Govi-Altai aimag	Donation	1,500
		2008.10.06	"Bayankhongor fund" of Bayankhongor aimag	Donation for aimag development	68,746
		2008.10.24	Shinejinst soum, Bayankhongor aimag	Donation / Renewal of watering system/	3,000
		2008.11.05	Shinejinst soum, Bayankhongor aimag	Local government Donation/Azzaya Z. /	400
Sub-total					171,922
25	"Shariin gol" JSC	2,008	Secondary School #2, of Darkhan-Uul aimag	English class facilitation	1,000
		2,008	"Lkha" TV of Darkkhan-Uul aimag	installation of a station for TV information and advertisement	25,000
		2008.06-12 cap	Shariin Gol soum, Darkhan-Uul aimag	donation for temple construction	9,996

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26	“Khan shijir” LLC	2,008	Fair Department, Shariin Gol soum, Darkhan-Uul aimag	Donation	550
		2,008	Sport Committee of Darkhan-Uul aimag	Football contest of Elder Football Players	550
					37,096
Sub-total					37,096
32	“Khunanjinlen” LLC	2,008	Governor's office of Bayankhongor aimag	Religious ritual	10,000
		2008.10.16	Environment Department of Bayankhongor aimag	Donation to new office	3,000
		2,008	Governor's office of Bumbugur soum, Bayankhongor aimag	Office furniture and fixtures	1,700
		2008.08.08	Governor's office of Bumbugur soum, Bayankhongor aimag	Fuel expense for cleaning the sewage	441
		2,008	Environment Committee of Bumbugur soum, Bayankhongor aimag	Donation	200
Sub-total					15,341
33	“Zuriin bulan” LLC	2008.08.25	Eruu soum, Selenge aimag	Donation for Governor's office	4,100
		2008.07.08	Eruu soum, Selenge aimag	Naadam festival's donation	500
Sub-total					4,600
34	“Dazan trade” LLC	2008.07.25	Eruu soum, Selenge aimag	Donation for Hospital	250
		2008.06.05	Eruu soum, Selenge aimag	Naadam festival's donation	1,000
Sub-total					1,250
36	“Erel” LLC	2008.12.12	Prize for laboratory ceremony	Laboratory prize	100
		2008.12.17	Chandmani soum, Govi-Altai aimag	Donation in cash to the committee	300
		2008.10.02	Tarialan soum, Uvs aimag	Donation	2,000
Sub-total					2,400
36	“Erel” LLC	2008.03.17	Sport Centre, Darkhan-Uul aimag	Donation	867
Total					867
45	“Cold gold mongol” LLC		Bayankhongor aimag	Religious ritual	10,000
Sub-total					10,000
Total					154,229,291

